Comprehensive Annual Financial Report

The State of Ohio – Fiscal Year Ended June 30, 2015

Governor John R. Kasich
Office of Budget and Management
Director Timothy S. Keen

ACKNOWLEDGMENTS

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Special appreciation is given to all fiscal and accounting personnel throughout the State whose extra efforts to contribute accurate, timely financial data for their agencies made this report possible.

State of Ohio
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2015

Office of Budget and Management

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Prepared by OBM State Accounting and Reporting

STATE OF OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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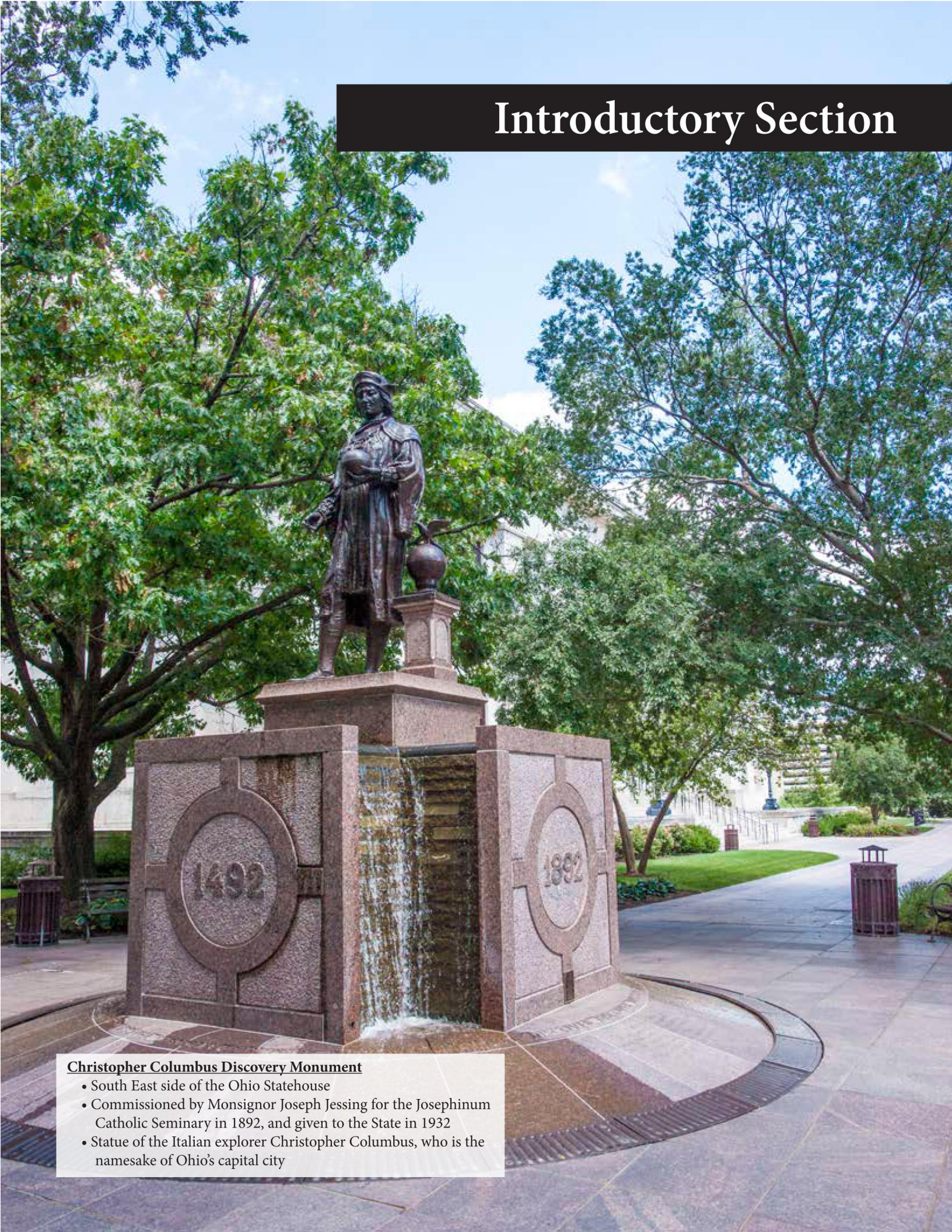
Introductory Section



Christopher Columbus Discovery Monument

- South East side of the Ohio Statehouse
- Commissioned by Monsignor Joseph Jessing for the Josephinum Catholic Seminary in 1892, and given to the State in 1932
- Statue of the Italian explorer Christopher Columbus, who is the namesake of Ohio's capital city

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Office of Budget and Management

John R. Kasich
Governor

Timothy S. Keen
Director

December 22, 2015

To the Honorable John R. Kasich, Governor;
Members of the Ohio General Assembly; and
Citizens of Ohio:

It is my privilege to present the State of Ohio's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2015, prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The Office of Budget and Management (OBM) prepared this report pursuant to Section 126.21, Ohio Revised Code. The report includes the basic financial statements, which provide an overview of the State's financial position and the results of financial operations. Responsibility for the accuracy of the data presented, as well as the completeness and fairness of the presentation, including all disclosures, rests with OBM.

To the best of our knowledge and belief, the information presented is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the State of Ohio. All disclosures necessary for a reasonable understanding of the State's financial activities have been included.

This letter of transmittal is intended to complement management's discussion and analysis (MD&A) and should be read in conjunction with it. The MD&A provides an overview of the State's financial activities addressing both governmental and business-type activities reported in the government-wide financial statements.

The reporting format for our CAFR is significantly different from the way the State more typically presents its finances on a non-GAAP budgetary basis. The most obvious difference is that the "General Fund" in the CAFR includes more than just the State's General Revenue Fund (GRF). The General Fund also includes other funds such as the reimbursement-supported funds used for activities administered by state agencies and departments for which special revenue or proprietary fund classifications were considered to be inappropriate.

The State's management is responsible for establishing and maintaining internal control designed to ensure that the State's assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management.

INDEPENDENT AUDIT RESULTS

In compliance with Ohio Revised Code, an annual financial audit has been performed by the Office of the Auditor of State. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. The auditor's unmodified opinion is included in the Financial Section of this report. This opinion indicates there was no limitation on the scope of the auditors' examination and the financial statements were presented fairly, in all material respects, in accordance with GAAP.

Additionally, the State's Single Audit report is audited by the Office of the Auditor of State to meet the requirements of the federal Single Audit Act Amendments of 1996 and related Office of Management and Budget (OMB) Circular A-133. The Single Audit report will be issued separately from the State's CAFR.

PROFILE OF THE GOVERNMENT

History

Ohio's first constitution was adopted in 1802, and Ohio entered the union in 1803. Ohio's present constitution was modified by a state constitutional convention in 1851 and has since been amended on numerous occasions. The Constitution establishes a state governmental structure similar to the federal model, with three separate branches of government — executive, legislative, and judicial.

Governmental Structure

The executive branch consists of the Governor and Lieutenant Governor, who are jointly elected, and four additional statewide elected officials: the Attorney General, the Auditor of State, the Secretary of State, and the Treasurer of State. All of these officials are elected to four-year terms. The State Board of Education is also part of the executive branch.

Approximately 100 departments, agencies, boards, and commissions are part of the executive branch of government and receive appropriations from the legislature, along with several judicial and legislative agencies. An organizational chart of state government can be found on pages xiv and xv.

The state legislature in Ohio is referred to as the General Assembly and consists of two separate chambers, the Senate, a 33-member body, and the House of Representatives, a 99-member body. Each member of the General Assembly is elected to represent the residents of a geographical district for a specified term. Members of Ohio's General Assembly are subject to term-limits; senators are restricted to serving two four-year terms, and representatives are restricted to serving four two-year terms. Each chamber has a presiding officer to call the chamber to order and direct the calendar of events. The presiding officer in the Senate is the President of the Senate, and the presiding officer of the House of Representatives is the Speaker of the House. A new General Assembly is convened in January of each odd-numbered year.

Within the Judicial system, the Supreme Court is the court of last resort in Ohio. Most of its cases are appeals from the twelve district courts of appeal. The chief justice and six justices are elected to six-year terms on a nonpartisan ballot.

Reporting Entity and Its Services

For financial reporting purposes, the State's reporting entity consists of (1) the primary government, (2) component units for which the primary government is financially accountable, and (3) other component units for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria set forth in Governmental Accounting Standards Board's (GASB) Statement 14, the Financial Reporting Entity, Statement 39, Determining Whether Certain Organizations are Component Units, an amendment to GASB 14 and Statement 61, the Financial Reporting Entity: Omnibus, an amendment to GASB 14, are used to determine the organizations for which the State is financially accountable. NOTE 1A to the financial statements explains more fully which financial activities are included in the State's reporting entity.

The State provides a wide range of services and support to its citizenry that are accounted for in the following functions or programs: primary, secondary and other education, higher education support, public assistance and Medicaid, health and human services, justice and public protection, environmental protection and natural resources, transportation, general government, community and economic development, workers'

compensation, lottery, unemployment compensation, tuition credits, and other business-type activities.

Retirement Systems

Employees of the primary government or its component units may be eligible to participate in the Ohio Public Employees Retirement System, the State Teachers Retirement System of Ohio, the State Highway Patrol Retirement System, or the Alternative Retirement Plan. Further information on the State's participation in the different retirement systems can be found in NOTE 9 to the financial statements.

Risk Management

As discussed in NOTE 1Q to the financial statements, the State's primary government is self-insured for claims under its traditional healthcare plan as well as its vehicle liability plan. Employee and public official fidelity bonding is placed with a private insurer. Tort liability is self-funded; however, several state agencies have also acquired private insurance. State owned buildings are covered under a catastrophic property policy for both real and personal property losses. All other liability risk to State property is self-funded on a pay-as-you-go basis. The State's primary government and its component units participate in a public entity risk pool, which is accounted for in the Workers' Compensation Enterprise Fund, for the financing of their workers' compensation liability.

Budgetary Control and Accounting System

Ohio's Constitution requires the State to have a balanced budget. The State's biennium budget begins on July 1 of odd-numbered years and ends 24 months later on June 30. The State maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the General Assembly. Budgets are entered on the statewide accounting system once the appropriations bill becomes law. Controls are maintained first at the agency level, with additional control at the fund and appropriation level to ensure that expenditures do not exceed authorized limits.

The State's non-GAAP budgetary financial statements are prepared on a modified cash basis of accounting. This means that revenues are recognized when cash is received and expenditures are recognized when cash is paid. Encumbrances, reservations of appropriation authority as of June 30, the end of the State fiscal year, are reflected as expenditures on the budgetary basis of accounting.

Budget-to-actual comparisons can be found in this report for each governmental fund for which an appropriated annual budget has been adopted. For the General Fund and the Job, Family and Other Human Services Special Revenue Fund, these comparisons are presented as part of the basic financial statements. For other budgeted non-major

governmental funds with appropriated annual budgets, budget-to-actual comparisons are in the non-major governmental funds section of the CAFR.

Additional discussion of the budgetary and GAAP bases of accounting is provided in NOTE 1 to the financial statements.

The accounting system maintains all non-GAAP budgetary basis transactions and most GAAP basis adjustments. In addition to the information obtained from the accounting system for financial reporting, selected financial information provided by the State's agencies and departments is compiled to complete the GAAP basis financial statements.

Differences between the two bases of accounting (GAAP vs. non-GAAP budgetary) include: 1) entity differences — the GAAP reporting entity may include organizations such as financing authorities and other component units that are not included in the State's budget; 2) basis differences — the GAAP basis results in the reporting of accruals while the non-GAAP budgetary basis results in the reporting of cash transactions; and 3) timing differences — for example, GAAP recognizes expenditures for payables for goods and services received, whereas the non-GAAP budgetary basis considers unliquidated encumbrances as expenditures. Reconciliation between the GAAP basis and non-GAAP budgetary basis fund balances is presented in NOTE 3 to the financial statements.

ECONOMIC OVERVIEW AND OUTLOOK

The Economy in 2015

The U.S. economy expanded for the sixth consecutive calendar year in 2015, extending to six and one half years the expansion that began in mid-2009. At 78 months in length as of December, the current expansion is the fourth longest of the eleven expansions since the end of World War II. By a number of important measures, however, this expansion is the weakest of the four expansions that have lasted at least as long.

Real GDP increased at an annual rate of 2.2% during the twenty-five quarters ending in the third quarter of 2015, compared with an average growth rate of 4.6% during the first twenty-five quarters of the three other expansions that lasted as long. GDP growth across the last four expansions lasting at least 25 quarters has steadily declined: average growth was 5.6% in the 1960s expansion, 4.8% in the 1980s expansion, 3.5% in the 1990s expansion, and now 2.2% in the current expansion. Similarly, real final sales increased at a 1.9% annual rate during the current period, compared with the average of 4.3% during the three previous expansions. Nonfarm payroll employment has increased at an annual rate of 1.3% in the current expansion, less than one half of

the average of 2.8% for the prior three long expansions. Real disposable personal income has increased at an annual rate of only 1.8% in the current expansion, compared with an average of 4.2% in the prior three long expansions.

During 2015, real GDP has remained volatile, rising at an annual rate of 0.6% in the first quarter and then increasing 3.9% in the second quarter but slowing to 2.1% growth in the third quarter. Major monthly indicators point to continued growth in the fourth quarter, although manufacturing activity is slowing. Personal consumption expenditures contributed 1.9 percentage points of the growth in real GDP from the fourth quarter of 2014 through the third quarter of 2015. Gross private domestic investment contributed 0.7 percentage points, and government spending contributed 0.25 percentage points. In an indication of the effect of the strengthening in the dollar on trade, exports made no contribution and imports, which are included among the other categories and subtracted separately, subtracted 0.64 percentage points.

Growth in personal consumption expenditures was concentrated in services, with the largest increase in health care, but spending on both durable and nondurable goods also increased. Spending on motor vehicles and parts added only marginally to overall growth despite the historically high pace of new auto sales because the increase in the level has been modest. Increases in spending on nondurable goods were spread widely across individual categories.

Investment in business equipment and intellectual property were the primary drivers of investment during the first three quarters of 2015, accounting for more than one half of the contribution of gross private domestic investment to real GDP. Investment in nonresidential structures subtracted slightly from real GDP growth. In the government sector, almost all of the contribution to growth was state and local gross investment. Federal government spending made almost no contribution to growth.

Real personal consumption expenditures, which increased at an annual rate of 1.9% during the first three quarters of 2015, were financed by a 3.5% rate of increase in real disposable personal income. Real wage and salary disbursements, which account for more than one half of disposable personal income, also increased at an annual rate of 4.1%. Approximately one-half of the increase in compensation reflected an increase in employment and hours worked. The saving rate increased from4.7% of disposable personal income in the fourth quarter of 2014 to 5.2% in the third quarter of 2015 because spending increased by less than income.

Inflation remained tame in 2015. The Consumer price index increased at an annual rate of 0.5% from the fourth quarter of 2014 to the third quarter of 2015. As expected at the

beginning of 2015, the large decrease in the price of oil has temporarily but significantly suppressed broad measures of inflation. The underlying rate of inflation is higher, as indicated by the 2.0% annualized increase in the CPI excluding food and energy and the 2.4% annualized rate of increase in the Median CPI from the Federal Reserve Bank of Cleveland.

Monetary policy remained extraordinarily accommodative throughout 2015. The Federal Reserve continued to peg the federal funds rate near zero, but has set the stage for beginning to raise the rate at its December meeting. In light of recent improvements in labor markets, policy makers no longer view the extremely low rate target as necessary. Employment growth slowed somewhat but remained solid during the first ten months of 2015, and the unemployment rate fell from 5.6% at the end of 2014 to 5.1% in October 2015. Broader measures of labor market conditions indicate ongoing improvement but at a slower pace.

Fiscal policy continued to add directly to aggregate demand in Fiscal Year 2014, as federal outlays amounted to an estimated 20.6 percent of GDP, compared with receipts amounting to an estimated 18.2 percent of GDP. The budget deficit as a percent of GDP declined for the sixth straight year, reaching an estimated 2.5 percent of GDP, but remained large by historical standards during economic expansions.

In line with trends across the country, labor markets across Ohio strengthened further in 2015. Nonfarm payroll employment in Ohio increased by 58,400 jobs, or 1.3% annualized, from December 2014 to October 2015. In addition, the annual benchmark revisions to historical data released by the U.S. Bureau of Labor Statistics in early 2015 revealed stronger growth in employment during both 2013 and 2014 than had been previously reported. The December-to-December growth was revised up from 51,000 jobs to 76,700 jobs in 2013 and from 61,500 jobs to 72,000 jobs in 2014.

Most major sectors of the economy contributed to Ohio job growth year-to-date through October 2015. Growth was concentrated in educational and health services (+17,800), trade, transportations, and utilities (+17,500), manufacturing (+13,500), financial activities (+8,200), and leisure and hospitality (+5,400). Employment declined through October in construction (-2,400), professional and business services (-2,300), mining and natural resources (-1,600), and government (-1,400). Private sector Ohio employment increased by 59,800 jobs.

The Ohio unemployment rate decreased 0.7 percentage points from 5.1% in December 2014 to 4.4% in October 2015. The decrease during 2015 reflected an increase of 19,596, or 0.4%, in total employment, a decrease of 43,733, or 15.0%, in unemployed

people, and a decrease of 24,137, or 0.4%, in the labor force. As is the case across the country, at least a portion of the decrease in the labor force is attributable to demographic changes that affect decisions to retire or pursue higher education.

In response to the ongoing growth in labor markets, Ohio personal income increased at an annual rate of 2.6% in the first half of 2015. Personal income increased at an annual rate of 3.0% across the country. Wage and salary disbursements increased at an annual rate of 2.3%, compared with 5.0% across the country.

The six and a half year long economic expansion has produced rising state tax revenue in Ohio. General fund tax revenues exceeded the estimate for the fifth year in a row in FY 2015, coming in $390 million over the estimate (1.9%). Sales tax revenue was over the estimate by $51.2 million (0.5%), but the real strength was in the personal income tax, which exceeded the estimate by $279 million (3.4%). Through the first five months of FY 2016, overall tax revenues are on target with the estimate, with an overage in the sales tax and a shortfall in the income tax approximately canceling each other out.

The Economic Outlook

The economy is likely to continue expanding in 2016, despite the recent weakening in the manufacturing and export sectors. Past expansions have been cut short by unexpected events that have often included some mix of rising inflation, tightening monetary policy, and an upward spike in energy costs – none of which has recently occurred or appears likely in the near-term. Leading economic indicators that in the past have provided some warning of oncoming recessions are instead almost uniformly signaling growth at least at a moderate pace.

The pace of overall economic growth is projected to remain about the same in 2016. Real GDP will expand by a projected 2.4% in 2015 and 2016, according to the November 2015 forecast by IHS Global Insight. The Ohio economy is also expected to grow in 2016, according to the November 2015 IHS Global Insight forecast. Employment is projected to grow 0.9% in 2016 after a projected 1.2% increase in 2015 on an average annual basis. Personal income growth is projected to accelerate from 2.9% in 2015 to 4.0% in 2016. Nominal Gross State Product is projected to stay steady at 3.9%.

As always, unexpected events will shape future economic performance. In the near-term, U.S. economic growth could be stronger than previously anticipated for a time before ultimately giving way to more moderate growth longer-term. The economy could benefit more than anticipated in the near-term from the following:

- Extraordinarily accommodative monetary policy, even though the Fed appears poised to soon begin slowly raising short-term interest rates;
- The high level of corporate profits and strong corporate balance sheets;
- Further improvements in consumer confidence and household balance sheets; and
- The substantial decrease in the price of oil, which on balance will enhance productivity and boost spending on non-energy goods and services.

However, risks to the economic outlook include:

- A more rapid than anticipated rise in interest rates by the Federal Reserve;
- Additional increases in the foreign exchange value of the dollar and an intensification of the economic slowdown overseas; and
- An inability of federal lawmakers to implement fiscal and regulatory policies that foster long-term economic growth, coupled with large direct and indirect costs and economic distortions related to recent and pending health care, environmental, and financial services regulations.

MAJOR INITIATIVES AND PROJECTS

Transforming Ohio For Growth: Stronger. Together.

Consistent with state law, the Governor's biennial Executive Budget for fiscal years 2016 and 2017 was released in February of 2015 and introduced in the General Assembly as H.B. 64. After extended hearings and review, the 2016-17 biennial appropriations budget was passed by the General Assembly and signed (with selective vetoes) by Governor John Kasich on June 30, 2015.

Among the major policy initiatives undertaken by the Kasich Administration in conjunction with the biennial operating budget for fiscal years 2016 and 2017:

A Balanced Budget: In 2015, Ohio passed a balanced budget that was built with continued focus on conservative economic forecasts, conservative revenue estimates and the full allocation of funds necessary to cover our expected program costs and obligations.

The Governor's guiding principle was the maintenance and protection of the strong financial position our state presently enjoys. Ohio's enacted budget is balanced, but also structurally balanced, ensuring that ongoing revenues are sufficient to cover ongoing expenses.

Our strong finances and fiscal discipline have allowed us to reform our tax system, reduce the personal income rates and small business taxes in order to improve Ohio's jobs climate and economic competitiveness.

Reducing Taxes on Small Businesses: The budget continues the exemption of 75% of the first $250,000 in business income for "flow-through" businesses and then increases the exemption to 100% for tax year 2016 (FY 2017). For "flow-through" business income in excess of $250,000, a flat tax of 3% now applies, rather than the higher marginal tax rates under prior law. These provisions are beneficial to many small businesses that receive flow through income that is taxed under personal income tax.

Lower Income Taxes, Again: Personal income tax rates will be cut for all Ohio taxpayers by 6.3 percent. This means Ohio's top marginal income tax rate will have been cut from 5.925 percent when Gov. Kasich came into office in 2011 to 4.997 percent in 2016. With the $1.9 billion in net tax cuts in this budget, Ohio will have reduced taxes by approximately $5 billion during the past five years. The personal income tax rates are at the lowest level since 1982.

Continued Strong Support for K-12 Education: For the second straight budget, Ohio will significantly increase funding to K-12 education — providing record funding for K-12 education. Additionally, by building on a practice Kasich first proposed two years ago and giving greater consideration to the income of local residents, Ohio will more effectively drive state support to school districts with a series of carefully targeted aid categories.

Making College More Affordable: The budget will freeze tuition at two- and four-year state-supported schools, assuring that Ohio remains a leader in holding down the growth of tuition and general fees. A new nine-member Task Force on Affordability and Efficiency is working to help public colleges and universities examine ways to reduce costs. Following the work of the Task Force, Ohio's public colleges and universities will conduct an efficiency review to improve efficiencies and reduce costs.

Better Support for Ohioans with Disabilities: The budget makes historic new investments to ensure that every Ohioan with a developmental disability who wants to live and work in the community can do so. This budget invests $286 million over two years to increase home- and community-based services, support community work opportunities and create new options for individuals who want to leave institutions.

Combating Infant Mortality: It is not acceptable that each year more than 1,000 Ohio babies die before their first birthday. Ohio has one of the worst infant mortality rates in

the country. The budget provides enhanced maternal services through Medicaid health plans for every woman living in neighborhoods most at risk for poor infant health outcomes. Working to engage local community leaders, health plans will connect women in high-risk neighborhoods to health care services.

Transforming Welfare: The budget creates a person-centered case management system where services are wrapped around an individual's needs in order to better support them as they move toward self-sufficiency. New initiatives will initially focus on those ages 16-24 in order to have the greatest impact and prevent the poverty cycle at an early age. To help in the effort, the budget also works to soften the benefit "cliffs" by allowing families to keep subsidized child care on a gradually reducing scale up to 300 percent of the federal poverty level.

Reducing Recidivism and Treating Addition in Ohio's Prisons: Approximately 80 percent of Ohio's prison inmates have past histories of drug and alcohol addiction and those who don't overcome their addiction have a higher likelihood of re-entering prison after their release. By leveraging the clinical expertise of the Department of Mental Health and Addiction Services, Ohio can get inmates the help they need to overcome their addiction while they are serving their sentences and provide a seamless transition of services and supports to ensure sustained recovery after their release. In addition, the state will begin transferring low-level, non-violent inmates with addictions to serve their short-term sentence in a community treatment facility

Raining Day Fund Grows: At the end of FY15, the Budget Stabilization Fund (BSF) balance was increased to just over $2 billion or approximately 6.4% of FY15 GRF revenues. A provision in the operating budget bill raised the statutory BSF ceiling from 5% of the prior year's GRF revenues to 8.5% of revenues.

The BSF is Ohio's rainy day savings account, a reserve balance set aside in good economic times to protect the State's budget from cyclical changes in revenues and expenditures should the economy become weakened unexpectedly.

Mid-Biennium Review: During Fiscal Year 2016, the Office of Budget and Management is leading state agencies through a Mid-Biennium Review (MBR) process, a thorough analysis of state agency budgets, operations and programs. The Kasich Administration initiated the first MBR process in 2012, and the two previous MBRs produced hundreds of recommendations for efficiencies and reforms to reduce the cost of government and revitalize Ohio's ability to keep and attract jobs.

Capital Budget: Early in 2016, the Governor is expected to introduce his capital budget proposal for the 2017 and 2018 fiscal biennium, identifying spending priorities to maintain and improve the state's educational and public service infrastructure in ways that help keep Ohio a leader in the competitive world economy.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Ohio for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

In conclusion, I wish to express my appreciation to the Financial Reporting staff of OBM's State Accounting Section and staffs of the various state agencies whose time and dedicated efforts made this report possible. I encourage you to access Ohio's Comprehensive Annual Financial Report at *http://www.obm.ohio.gov*.

Respectfully submitted,

Timothy S. Keen
Director

STATE OF OHIO OFFICIALS

As of June 30, 2015

EXECUTIVE

John Kasich
Governor

Mary Taylor
Lieutenant Governor

Mike DeWine
Attorney General

Dave Yost
Auditor of State

Josh Mandel
Treasurer of State

Jon Husted
Secretary of State

LEGISLATIVE

Keith Faber
President of the Senate

Clifford Rosenberger
Speaker of the House

JUDICIAL

Maureen O'Connor
Chief Justice
Supreme Court

STATE OF OHIO ORGANIZATION CHART

FINANCIAL REPORTING ENTITY

PRIMARY GOVERNMENT

LEGISLATIVE	EXECUTIVE	JUDICIAL
Senate (33 Members) **House of Representatives** (99 Members)	**Governor** **Lieutenant Governor** **Attorney General** **Auditor of State** **Secretary of State** **Treasurer of State** **State Board of Education** (11 Elected Members, and 8 At-Large Members)	**Supreme Court** Chief Justice and 6 Justices
Governmental Activities: *General Government:* Senate House of Representatives Legislative Service Commission Legislative Committees	**Governmental Activities:** *Primary, Secondary and Other Education:* Arts Council Broadcast Educational Media Commission Department of Education School for the Blind School for the Deaf State Library Board *Higher Education Support:* Department of Higher Education State Board of Career Colleges and Schools *Public Assistance and Medicaid:* Department of Job and Family Services Department of Medicaid *Health and Human Services:* Commission on Hispanic/Latino Affairs Commission on Minority Health Department of Aging Department of Developmental Disabilities Department of Health Department of Mental Health and Addiction Services Department of Veteran Services Opportunities for Ohioans with Disabilities *Justice and Public Protection:* Adjutant General's Department Board of Tax Appeals Civil Rights Commission Department of Public Safety Department of Rehabilitation and Correction Department of Youth Services Ethics Commission Office of the Attorney General Public Defender Commission *Environmental Protection and Natural Resources:* Department of Natural Resources Environmental Protection Agency Environmental Review Appeals Commission Lake Erie Commission *Transportation:* Department of Transportation	**Governmental Activities:** *Justice and Public Protection:* Supreme Court Judicial Conference Judiciary Court of Claims

PRIMARY GOVERNMENT (Continued)

General Government:
Capitol Square Review & Advisory Board
Consumers' Counsel
Department of Administrative Services
Department of Commerce
Department of Insurance
Department of Taxation
Office of Budget and Management
Office of the Governor
Office of the Inspector General
Office of the Lieutenant Governor
Office of the Secretary of State
Office of the Treasurer of State
Public Utilities Commission
Sinking Fund Commission
State Racing Commission
Other Boards and Commissions

Community and Economic Development:
Department of Agriculture
Development Services Agency
Expositions Commission
Public Works Commission
Southern Ohio Agricultural & Community Development Foundation

Business-Type Activities:
Bureau of Workers' Compensation and Industrial Commission
Department of Job and Family Services—Unemployment Compensation Program
Lottery Commission
Office of the Auditor of State
Tuition Trust Authority

COMPONENT UNITS

Blended Component Units:
Buckeye Tobacco Settlement Financing Authority (included as Governmental Activities)

Fiduciary Component Unit:
State Highway Patrol Retirement System

Discretely Presented Component Units:
Financing Authorities and Commissions:
Ohio Air Quality Development Authority
Ohio Capital Fund
Ohio Facilities Construction Commission
Ohio Turnpike and Infrastructure Commission

Nonprofit Organizations:
Jobs Ohio

Discretely Presented Component Units (continued):
State Universities:
Bowling Green State University
Central State University
Cleveland State University
Kent State University
Miami University
Northeast Ohio Medical University
Ohio State University
Ohio University
Shawnee State University
University of Akron
University of Cincinnati
University of Toledo
Wright State University
Youngstown State University

State Community Colleges:
Cincinnati State
Clark State
Columbus State
Edison State
Northwest State
Owens State
Southern State
Terra State
Washington State

JOINT VENTURES

Great Lakes Protection Fund
Local Community Colleges Technical Colleges

RELATED ORGANIZATIONS

Higher Educational Facility Commission
Ohio Housing Finance Agency
Ohio Legal Assistance Foundation
Ohio Water Development Authority
Petroleum Underground Storage Tank Release Compensation Board

Government Finance Officers Association

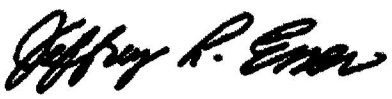
Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014



Executive Director/CEO

Financial Section

These Are My Jewels

- North West side of the Ohio Statehouse
- Designed for the 1893 Chicago World's Columbian Exposition
- Brought to the Statehouse in 1894
- To honor Ohio military and political leaders who contributed greatly during the Civil War

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INDEPENDENT AUDITOR'S REPORT

The Honorable John Kasich, Governor
State of Ohio
Columbus, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units**,** each major fund, and the aggregate remaining fund information of the State of Ohio (the State), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We did not audit the financial statements of the following organizations which reflect the percentages of total assets and expenditures/expenses/deductions indicated for the related opinion units:

Opinion Unit	Organization	Percent of Opinion Unit's Total	
		Assets	Expenditures /Expenses /Deductions
Governmental Activities	Treasurer of State Lease Rental Special Obligations	0%	1%
Business-Type Activities (BTA)	Ohio Bureau of Workers' Compensation and Tuition Trust Authority	94%	40%
BTA / Workers' Compensation	Ohio Bureau of Workers' Compensation	100%	100%
Aggregate Discretely Presented Component Units	Bowling Green State University; Central State University; Cleveland State University; Columbus State Community College; JobsOhio; Kent State University; Miami University; Ohio State University; Ohio University; Shawnee State University; University of Akron; University of Cincinnati; University of Toledo; Wright State University; and Youngstown State University.	88%	91%
Aggregate Remaining Fund Information	Police and Fire Pension Fund, Public Employees Retirement System, School Employees Retirement, State Highway Patrol Retirement System, State Teachers Retirement System, State Treasury Asset Reserve of Ohio, Treasurer of State Lease Rental Special Obligations, Tuition Trust Authority, and Variable College Savings Plan.	97%	83%

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Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amount included for these independently audited organizations, is based solely on the report of other auditors. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement. The other auditors audited the financial statements of JobsOhio, which represents six percent of the total assets and seven percent of the total expenses of the aggregate discretely presented component units, in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards.*

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the State's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the State's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units**,** each major fund, and the aggregate remaining fund information of the State of Ohio, as of June 30, 2015, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the General and Job, Family and Other Human Services funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended June 30, 2015, the State adopted Governmental Accounting Standards No. 67, *Financial Reporting for Pension Plans*, Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis, Schedules for Infrastructure Assets Accounted for using the Modified Approach*, *and Schedules of Net Pension Liability and Employer Contributions* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we

obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the State of Ohio's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied to the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2015, on our consideration of the State's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.

Dave Yost
Auditor of State
Columbus, Ohio

December 22, 2015

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State of Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

(Unaudited)

Introduction

This section of the State of Ohio's annual financial report presents management's discussion and analysis of the State's financial performance during the fiscal year ended June 30, 2015. The management's discussion and analysis section should be read in conjunction with the preceding transmittal letter and the State's financial statements, which follow.

Financial Highlights

Government-wide Financial Statements

During fiscal year 2015, net position of the State's primary government decreased by $1.6 billion, and ended fiscal year 2015 with a balance of $28.6 billion. Net position of the State's component units decreased by $5.14 billion, and ended fiscal year 2015 with a balance of $9.56 billion. See additional discussion beginning on page 8.

Fund Financial Statements

Governmental funds reported a combined ending fund balance of $13.43 billion that was comprised of $129.8 million in nonspendable, $8.89 billion restricted for specific purposes, $1.41 billion committed, $2.57 billion in assigned, and $410.9 million in unassigned. See additional discussion beginning on page 11.

As of June 30, 2015, the General Fund's fund balance was approximately $5 billion, including $49.7 million in nonspendable, $1.15 billion in restricted, $803.6 million in committed, $2.59 billion in assigned, and $411.2 million in unassigned. The General Fund's fund balance decreased by $688.2 million (exclusive of a $3.6 million decrease in inventories) or 12.1 percent during fiscal year 2015. See additional discussion beginning on page 12.

Proprietary funds reported net position of $9.28 billion, as of June 30, 2015, an increase of $337.6 million since June 30, 2014. This increase is largely due to the net increase of $590.5 million in the Unemployment Compensation Fund. See additional discussion beginning on page 13.

Capital Assets

The carrying amount of capital assets for the State's primary government increased to $26.73 billion at June 30, 2015. The majority of the $754.4 million increase during fiscal year 2015 was from the acquisition of machinery and equipment and construction-in-progress projects. See additional discussion beginning on page 14.

Long-Term Debt — Bonds and Notes Payable and Certificates of Participation Obligations

Overall, the carrying amount of total long-term debt for the State's primary government decreased $33.8 million or .2 percent during fiscal year 2015, for an ending balance of $17.7 billion. During the year, the State issued, at par, $1.37 billion of long-term debt of which $316.9 million was refunding bonds. See additional discussion beginning on page 15.

Overview of the Financial Statements

This annual report consists of three required components: management's discussion and analysis, basic financial statements, including the accompanying notes to the financial statements, and required supplementary information. In addition, this report includes an optional section that contains combining statements and schedules for the nonmajor governmental funds, nonmajor proprietary funds, fiduciary funds, and nonmajor discretely presented component unit funds.

The basic financial statements are comprised of the government-wide financial statements and fund financial statements. The figure on the following page summarizes the major features of these statements.

Major Features of the State of Ohio's Government-wide and Fund Financial Statements				
		Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire State government (except fiduciary funds) and the State's component units	The activities of the State that are not proprietary or fiduciary, such as general government, transportation, justice and public protection, etc.	Activities the State operates similar to private businesses, such as the workers' compensation insurance program, lottery, tuition credit program, etc.	Instances in which the State is the trustee or agent for someone else's resources
Required Financial Statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses and Changes in Fund Net Position • Statement of Cash Flows	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Financial Statements – Reporting the State as a Whole

The two government-wide financial statements, prepared on a basis and focus similar to those used by private-sector companies, report the State's net position and how it has changed. Net position — the difference between the State's assets/deferred outflows of resources and liabilities/deferred inflows of resources — is one way to measure the State's financial health, or position. Over time, increases or decreases in the State's net position indicate whether its financial health has improved or deteriorated, respectively. However, a reader should consider additional nonfinancial factors, such as changes in the State's economic indicators and the condition of the State's highway system, when assessing the State's overall financial status.

These statements, found on pages 20 through 23 of this report, are divided into three categories as follows.

Governmental Activities — Most of the State's basic services are reported under this category, such as primary, secondary and other education, higher education support, public assistance and Medicaid, and transportation. Taxes, federal grants, and charges for services, fees, fines and forfeitures finance most of these activities.

Business-type Activities — The State charges fees to customers to help cover the costs of certain services it provides. The State reports the following programs and activities as business-type: workers' compensation insurance program, lottery operations, unemployment compensation program, guaranteed college tuition credit program, and the Auditor of State's governmental auditing and accounting services.

Component Units — The State presents the financial activities of the Ohio Facilities Construction Commission, Ohio State University, and other entities as discretely presented component units under a separate column in the government-wide financial statements. The Buckeye Tobacco Settlement Financing Authority is presented as a blended component unit with its activities blended and included under governmental activities. Although legally separate, the State is financially accountable for its component units. For further explanation and a complete list of component units, see NOTE 1A. to the financial statements.

Fund Financial Statements – Reporting more detail about the State's most significant funds
A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. State law and bond covenants mandate the use of some funds. The Ohio General Assembly establishes other funds to control and manage money for particular purposes or to show that the State is properly using certain taxes and grants. The State employs fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The basic fund financial statements can be found on pages 24 through 45 of this report while the combining fund statements and schedules can be found on pages 157 through 233. The State has the following three kinds of funds:

Governmental Funds — Most of the State's basic services are included in governmental funds, which focus on how cash and other financial assets that can readily be converted to cash flow in and out (i.e., near-term inflows and outflows of spendable resources) and the balances remaining at year-end that are available for spending (i.e., balances of spendable resources). Consequently, the governmental fund financial statements provide a detailed short-term view that helps the financial statement reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the State's programs. Because these statements do not encompass the long-term focus of the government-wide statements, a reconciliation schedule, which follows each of the governmental fund financial statements, explains the relationship (or differences) between them.

The State's governmental funds include the General Fund, Job, Family and Other Human Services Special Revenue Fund, and the Buckeye Tobacco Settlement Financing Authority Revenue Bonds Debt Service Fund, all of which are considered major funds. Data from the other governmental funds, which are classified as nonmajor funds, are combined into an aggregated presentation under a single column on the basic governmental fund financial statements. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

For budgeted governmental funds, the State also presents budgetary comparison statements and schedules in the basic financial statements and combining statements, respectively, to demonstrate compliance with the appropriated budget. The State's budgetary process is explained further in NOTE 1D. to the financial statements.

Proprietary Funds — Services for which the State charges customers a fee are generally reported in proprietary funds. Financial statements for the proprietary funds, which are classified as enterprise funds, provide both long- and short-term financial information.

Presented under separate columns on the three statements is information for the Workers' Compensation, Lottery Commission, and Unemployment Compensation enterprise funds, all of which are considered to be major funds. Data from the other enterprise funds, which are classified as nonmajor funds, are combined into an aggregated presentation under a single column on the statements. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

The enterprise funds are the same as the State's business-type activities reported in the government-wide financial statements, but the proprietary fund financial statements provide more detail and additional information, such as information on cash flows.

Fiduciary Funds — The State is the trustee, or fiduciary, for assets that — because of a trust arrangement — can only be used for the trust beneficiaries. The State is responsible for ensuring the assets reported in these funds are used for their intended purposes. The State Highway Patrol Retirement System Pension Trust Fund, Variable College Savings Plan Private-Purpose Trust Fund, STAR Ohio Investment Trust Fund, and the agency funds are presented on two statements. Fiduciary information is excluded from the government-wide financial statements because the State cannot use these assets to finance its operations.

Discretely Presented Component Unit Statements (Component Unit)
Following the fund financial statements, the State includes statements for its major discretely presented component units within the basic financial statements section. Nonmajor discretely presented component units are also presented in aggregation under a single column in the component unit financial statements and in combining statements elsewhere in this report.

Notes to the Financial Statements
The basic financial statements section includes notes that more fully explain the information in the government-wide and fund financial statements; the notes provide more detailed data that are essential to a full understanding of the data presented in the financial statements. The notes can be found on pages 50 through 139 of this report.

Required Supplementary Information
Following the notes is a section of required supplementary information that discusses the assessed condition and estimated and actual maintenance and preservation costs of the state's highway and bridge infrastructure assets

that are reported using the modified approach. Limited in application to a government's infrastructure assets, the modified approach provides an alternative to the traditional recognition of depreciation expense. Also displayed in the required supplementary information are various schedules disclosing the State's share of pension obligation, employer contributions required as compared to employer contributions actually paid, and covered payroll, for the various retirement systems in which the State participates. Required supplementary information can be found on pages 142 through 153 of this report.

FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

Net Position. During fiscal year 2015, as shown in the table below, the combined net position of the State's primary government decreased by $1.6 billion or 5.3 percent. Net position reported for governmental activities decreased approximately $1.94 billion or 9.1 percent, compared to the net position on July 1, 2014, and business-type activities increased $337.6 million, or 3.8 percent. Condensed financial information derived from the Statement of Net Position for the primary government is presented in the following table.

Net Position
As of June 30, 2015 and 2014
(dollars in thousands)

	As of June 30, 2015			As of June 30, 2014		
	Govern-mental Activities	Business-Type Activities	Total Primary Government	Govern-mental Activities	Business-Type Activities	Total Primary Government
Current and Other Assets	$ 19,678,811	$ 30,420,334	$ 50,099,145	$ 19,472,327	$ 31,711,462	$ 51,183,789
Capital Assets	26,557,340	172,559	26,729,899	25,830,292	145,162	25,975,454
Total Assets	46,236,151	30,592,893	76,829,044	45,302,619	31,856,624	77,159,243
Deferred Outflows of Resources	4,948,308	22,899	4,971,207	4,689,267	-	4,689,267
Current and Other Liabilities	8,404,517	546,924	8,951,441	7,901,435	41,297	7,942,732
Noncurrent Liabilities	21,260,737	20,786,417	42,047,154	18,623,285	22,874,605	41,497,890
Total Liabilities	29,665,254	21,333,341	50,998,595	26,524,720	22,915,902	49,440,622
Deferred Inflows of Resources	2,201,389	4,086	2,205,475	2,212,211	-	2,212,211
Net Position:						
Net Investment in Capital Assets	23,396,447	159,466	23,555,913	22,627,911	129,804	22,757,715
Restricted	5,102,120	9,282,213	14,384,333	4,455,723	9,481,597	13,937,320
Unrestricted	(9,180,751)	(163,314)	(9,344,065)	(5,828,679)	(670,679)	(6,499,358)
Total Net Position	$ 19,317,816	$ 9,278,365	$ 28,596,181	$ 21,254,955	$ 8,940,722	$ 30,195,677

As of June 30, 2015, the primary government's net investment in capital assets (e.g., land, buildings, infrastructure, and construction-in-progress) was $23.56 billion. Restricted net position was approximately $14.38 billion, resulting in a $9.34 billion deficit. Net position is restricted when constraints placed on their use are either 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) legally imposed through constitutional or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets". The State's Budget Stabilization Fund balance of $1.48 billion at June 30, 2015, is included within unrestricted net position.

The government-wide Statement of Net Position reflects a $9.18 billion deficit for unrestricted governmental activities, which is primarily attributable to the following two reasons:

(1) The State of Ohio, like many other state governments, issues general and special obligation debt, the proceeds of which benefit local governments and component units. The proceeds are used to build facilities for public-assisted colleges and universities and local school districts and finance infrastructure improvements for local governments. The policy of selling general obligation and special obligation bonds for these purposes has been the practice for many years. Of the $11.06 billion of outstanding general obligation and special obligation debt at June 30, 2015, $8.1 billion is attributable to debt issued for state assistance to component units (Ohio Facilities Construction Commission and the colleges and universities) and local governments. The balance sheets of component unit and local government recipients reflect ownership of the related constructed capital assets without the burden of recording the debt. Unspent proceeds related to these bond issuances are included on the Statement of Net Position as restricted net position. By issuing such debt, the State is left to reflect significant liabilities without the benefit of recording the capital assets constructed with the proceeds from the debt issuances.

(2) During fiscal year 2015, the State implemented the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*, GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68),* related to the measurement and reporting of the annual costs and long-term obligations associated with the pension benefits provided to State employees. These new standards require the State to record a proportionate share of the net pension liability of the associated pension plans. As a result of implementing these standards, the State is reporting a net pension asset, net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension on the accrual basis of accounting. This implemen-

tation also had the effect of restating net position at June 30, 2014 (See NOTES 2, 9, 14, 15, and 18 for more information).

Condensed financial information derived from the Statement of Activities, which reports how the net position of the State's primary government changed during fiscal years 2015 and 2014, follows.

Changes in Net Position
For the Fiscal Years Ended June 30, 2015 and 2014

(dollars in thousands)

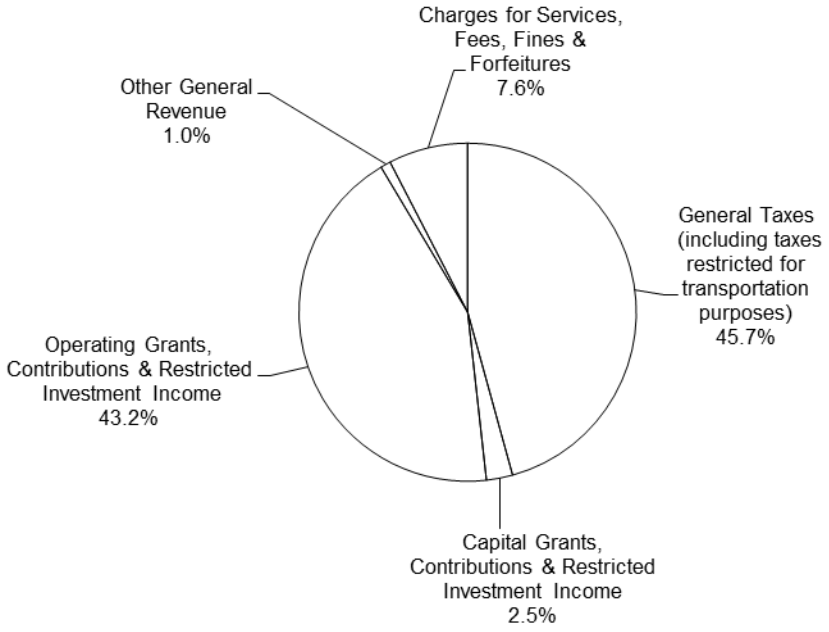
	Fiscal Year 2015			Fiscal Year 2014		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Program Revenue:						
Charges for Services, Fees, Fines and Forfeitures	$ 4,220,431	$ 7,020,251	$ 11,240,682	$ 4,225,067	$ 6,709,764	$ 10,934,831
Operating Grants, Contributions and Restricted Investment Income/ (loss)	23,965,473	609,269	24,574,742	21,454,316	3,398,375	24,852,691
Capital Grants, Contributions and Restricted Investment Income/ (loss)	1,398,463	-	1,398,463	1,523,237	-	1,523,237
Total Program Revenues	29,584,367	7,629,520	37,213,887	27,202,620	10,108,139	37,310,759
General Revenues:						
General Taxes	23,526,620	-	23,526,620	22,126,159	-	22,126,159
Taxes Restricted for Transportation	1,827,134	-	1,827,134	1,782,437	-	1,782,437
Tobacco Settlement	284,267	-	284,267	362,472	-	362,472
Escheat Property	220,486	-	220,486	192,184	-	192,184
Unrestricted Investment Income	36,462	5	36,467	1,733	3	1,736
Other	275	-	275	839	11	850
Total General Revenues	25,895,244	5	25,895,249	24,465,824	14	24,465,838
Total Revenue	55,479,611	7,629,525	63,109,136	51,668,444	10,108,153	61,776,597
Expenses:						
Primary, Secondary and Other Education	12,767,328	-	12,767,328	12,287,325	-	12,287,325
Higher Education Support	2,536,850	-	2,536,850	2,474,851	-	2,474,851
Public Assistance and Medicaid	28,265,942	-	28,265,942	25,283,157	-	25,283,157
Health and Human Services	1,576,185	-	1,576,185	1,579,156	-	1,579,156
Justice and Public Protection	3,210,965	-	3,210,965	3,385,337	-	3,385,337
Environmental Protection and Natural Resources	507,889	-	507,889	419,539	-	419,539
Transportation	2,660,362	-	2,660,362	2,706,248	-	2,706,248
General Government	921,426	-	921,426	835,785	-	835,785
Community and Economic Development	3,518,678		3,518,678	3,448,735		3,448,735
Interest on Long term Debt (excludes interest charged as program expense)	102,980	-	102,980	103,283	-	103,283
Workers' Compensation	-	2,533,883	2,533,883	-	2,417,674	2,417,674
Lottery Commission	-	2,724,306	2,724,306	-	2,310,169	2,310,169
Unemployment Compensation	-	1,034,060	1,034,060	-	1,444,870	1,444,870
Tuition Trust Authority	-	71,801	71,801	-	72,215	72,215
Office of Auditor of State	-	70,032	70,032	-	70,586	70,586
Total Expenses	56,068,605	6,434,082	62,502,687	52,523,416	6,315,514	58,838,930
Surplus / (Deficiency) Before Gains (Losses) and Transfers	(588,994)	1,195,443	606,449	(854,972)	3,792,639	2,937,667
Gain (Loss) on Extinguishment of Debt	1,276	402,562	403,838	-	281,938	281,938
Transfers - Internal Activities	1,082,061	(1,082,061)	-	955,721	(955,721)	-
Change In Net Position	494,343	515,944	1,010,287	100,749	3,118,856	3,219,605
Net Position, July 1 (as restated)	18,823,473	8,762,421	27,585,894	21,154,206	5,821,866	26,976,072
Net Position, June 30	$ 19,317,816	$ 9,278,365	$ 28,596,181	$ 21,254,955	$ 8,940,722	$ 30,195,677

Governmental Activities

Expenses exceeded revenues during fiscal year 2015 for governmental activities. Revenues of $55.48 billion for fiscal year 2015 were $3.81 billion higher than those reported for fiscal year 2014. General taxes (including taxes restricted for transportation purposes) comprised 45.7 percent of fiscal year 2015 total revenues and increased by 6 percent compared to fiscal year 2014. Operating grants, contributions and restricted investment income, making up 43.2 percent of total revenues, increased by 11.7 percent compared to fiscal year 2014. Expenses for fiscal year 2015 increased $3.55 billion or 6.7 percent from fiscal year 2014, as a result of an overall increase in the Medicaid caseload and programmatic costs during fiscal year 2015. Fiscal year 2015 net transfers of $1.08 billion reflect an increase of 13.2 percent over fiscal year 2014.

The following chart illustrates revenues by source of governmental activities as percentages of total reported for the fiscal year ended June 30, 2015.

Governmental Activities — Sources of Revenue
Fiscal Year 2015


Charges for Services, Fees, Fines & Forfeitures 7.6%
Other General Revenue 1.0%
General Taxes (including taxes restricted for transportation purposes) 45.7%
Operating Grants, Contributions & Restricted Investment Income 43.2%
Capital Grants, Contributions & Restricted Investment Income 2.5%

Total FY 15 Revenue for Governmental Activities = $55.48 Billion

The following table presents the total expenses and net cost of each of the State's governmental programs for the fiscal year ended June 30, 2015, with comparative numbers from June 30, 2014. The net cost (total program expenses less revenues generated by the program) represents the financial burden that was placed on the State's taxpayers by each of these programs. This cost is essentially funded with the State's general revenues from taxes, tobacco settlement, and escheat property.

Program Expenses and Net Costs of Governmental Activities by Program
For the Fiscal Years Ended June 30, 2015 and 2014
(dollars in thousands)

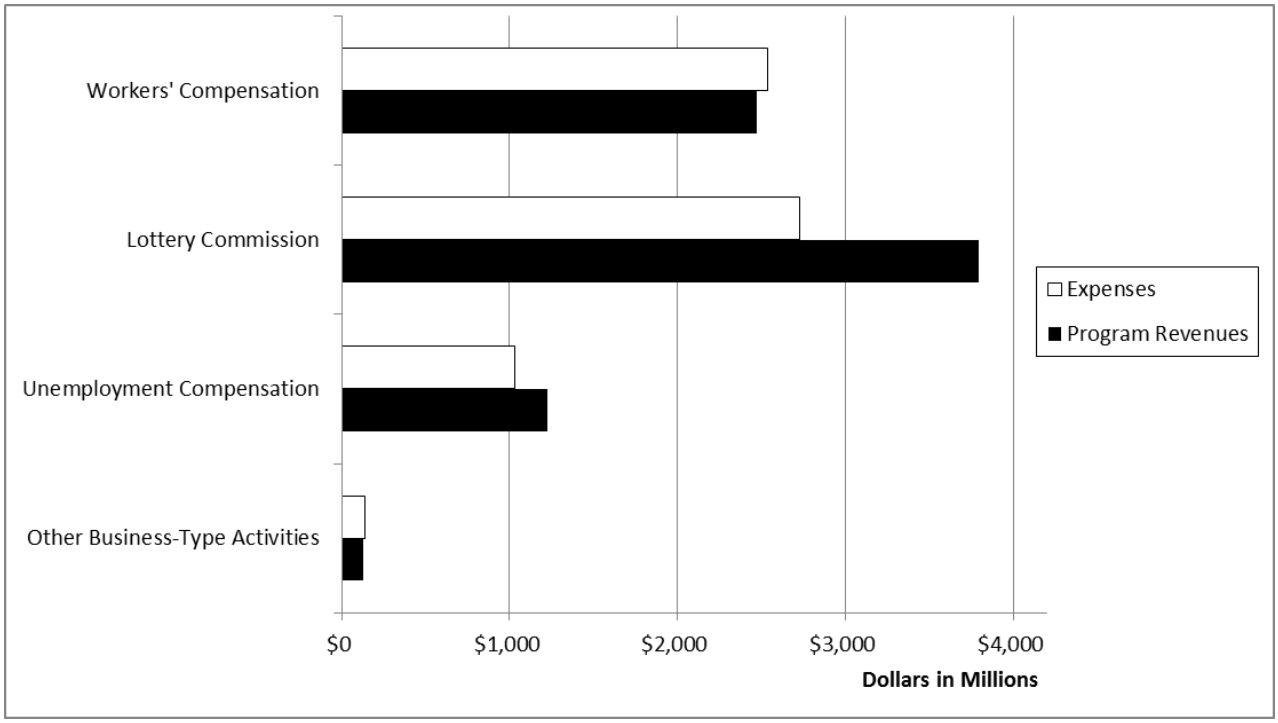
Program	Program Expenses 2015	Percent of Total Expense 2015	Net Cost of Program 2015	Net Cost of Program 2014	Net Cost as Percentage of Total Expenses for Program 2015	Net Cost as Percentage of Total Expenses for Program 2014	Net Cost as Percentage of Total Expenses — All Programs 2015	Net Cost as Percentage of Total Expenses — All Programs 2014
Primary, Secondary and Other Education	$ 12,767,328	22.8%	$ 10,853,098	$ 10,268,939	85.0%	83.6%	19.4%	19.6%
Higher Education Support	2,536,850	4.5%	2,512,276	2,450,561	99.0%	99.0%	4.5%	4.7%
Public Assistance and Medicaid	28,265,942	50.4%	6,249,536	5,979,517	22.1%	23.7%	11.1%	11.4%
Health and Human Services	1,576,185	2.8%	634,262	418,003	40.2%	26.5%	1.1%	0.8%
Justice and Public Protection	3,210,965	5.7%	1,993,353	2,174,618	62.1%	64.2%	3.6%	4.1%
Environmental Protection and Natural Resources	507,889	0.9%	201,521	120,837	39.7%	28.8%	0.4%	0.2%
Transportation	2,660,362	4.7%	896,786	998,487	33.7%	36.9%	1.6%	1.9%
General Government	921,426	1.6%	403,488	259,367	43.8%	31.0%	0.7%	0.5%
Community and Economic Development	3,518,678	6.3%	2,636,938	2,547,184	74.9%	73.9%	4.7%	4.8%
Interest on Long-Term Debt	102,980	0.2%	102,980	103,283	100.0%	100.0%	0.2%	0.2%
Total Governmental Activities	$ 56,068,605	100.0%	$ 26,484,238	$ 25,320,796	47.2%	48.2%	47.2%	48.2%

Business-Type Activities

The State's enterprise funds reported net position of $9.28 billion, as of June 30, 2015, as compared to $8.94 billion in net position, as of June 30, 2014, an increase of $337.6 million, or 3.8 percent. The Unemployment Compensation Fund reported a $590.5 million increase in net position during fiscal year 2015 as a result of a decline in the unemployment rate in Ohio and consequently a decline in benefit expense.

The chart below compares program expenses and program revenues for business-type activities. Additional analysis of the Business-Type Activities' revenues, expenses, and other changes in net position is included with the discussion of the Proprietary Funds beginning on page 13.

Business-Type Activities — Expenses and Program Revenues
Fiscal Year 2015



FINANCIAL ANALYSIS OF THE STATE'S FUNDS

The State uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds reported the following results, as of and for the fiscal years ended June 30, 2015 and June 30, 2014 (dollars in thousands).

	As of and for the Fiscal Year Ended June 30, 2015			
	General Fund	Other Major Funds	Nonmajor Governmental Funds	Total Governmental Funds
Unassigned Fund Balance (Deficit)	$ 411,190	$ -	$ (306)	$ 410,884
Total Fund Balance	5,003,799	5,164,623	3,260,233	13,428,655
Total Revenues	34,496,350	11,171,778	9,211,914	54,880,042
Total Expenditures	33,941,965	11,258,380	12,864,647	58,064,992

	As of and for the Fiscal Year Ended June 30, 2014 (as restated)			
	General Fund	Other Major Funds	Nonmajor Governmental Funds	Total Governmental Funds
Unassigned Fund Balance (Deficit)	$ 1,022,044	$ (163)	$ -	$ 1,021,881
Total Fund Balance	5,695,511	5,308,443	3,324,419	14,328,373
Total Revenues	32,617,219	9,998,925	9,106,010	51,722,154
Total Expenditures	30,971,219	10,273,103	12,445,942	53,690,264

General Fund

The main operating fund of the State is the General Fund. During fiscal year 2015, General Fund revenue increased by $1.88 billion and expenditures increased by $2.97 billion. Increases of $785.6 million in sales tax revenue, primarily from a rate increase and strong growth in revenues from the tax on managed care premiums for Medicaid Health Insuring Corporations, $629.3 million in federal government revenue, related to Medicaid spending, and $496.4 million in personal income tax revenue all contributed to the rise in revenue. The increase in expenditures is primarily due to increases in program spending for Primary, Secondary and Other Education and Public Assistance and Medicaid of $452 million and $2.33 billion, respectively. Increase in Medicaid spending constituted the largest portion of the increase in the Public Assistance and Medicaid category. Other sources and uses showed a decrease of $268 million primarily from a decrease in bond issuance proceeds. Total fund balance at June 30, 2015 decreased by $688.2 million (exclusive of a $3.6 million decrease in inventories) or 12.1 percent. The State's Budget Stabilization Fund balance of $1.48 billion is included within unassigned fund balance.

General Fund Budgetary Highlights

The State ended the second year of its 2014-15 biennial budget on June 30, 2015, with a General Fund budgetary fund balance (i.e., cash less encumbrances) of $4.99 billion. Total budgetary sources for the General Fund (including $1.59 billion in transfers from other funds) in the amount of $37.71 billion were above final estimates by $488.1 million or 1.3 percent during fiscal year 2015. Total tax receipts were above final estimates by $390.2 million or 1.6 percent primarily as a result of the positive performance of the personal income tax quarterly estimated payments.

Total budgetary uses for the General Fund (including $2.05 billion in transfers to other funds) in the amount of $38.48 billion were below final estimates by $1.79 billion or 4.5 percent for fiscal year 2015. The majority of lower than appropriated spending came from Medicaid, economic development, revitalization, and public works programs. There was no budget stabilization designation at June 30, 2014, for use in balancing the final fiscal year 2015 budget.

The main appropriations act (Act) for the 2014-15 biennium for the General Revenue Fund (GRF), the largest, non-GAAP, budgetary-basis operating fund included in the State's General Fund, was passed by the General Assembly and signed (with selective vetoes) by the Governor on June 30, 2013. Reflecting a stated focus on job creation and continued spending restraint, and based on a conservative economic forecast, the Act provides for GRF appropriations of approximately $31.7 billion in fiscal year 2015, a 4.7 percent increase from fiscal year 2014 appropriations.

GRF appropriations for major program categories in fiscal year 2015 reflect the following increases relative to 2014 appropriations:

- 6.2 percent for Medicaid;
- 5.8 percent for primary and secondary education;
- 2.1 percent for higher education;
- .3 percent for mental health and addiction services and developmental disabilities; and
- .2 percent for corrections and youth services.

The Act reflects tax reductions and related adjustments of major State taxes, primarily in personal income and sales and use taxes. These reductions and adjustments were projected to reduce GRF revenues by approximately $771 million in fiscal year 2015. The Act also implements a new school funding formula and allocates a portion of State public higher education funding to institutions based on their graduation rates.

Subsequent to the passage of the Act, the State Controlling Board approved an increase to federal Medicaid appropriations by approximately $2 billion during fiscal year 2015. These additional federal appropriations were authorized to support the federally-authorized expansion of the Medicaid program to cover those with incomes up to 138 percent of the federal poverty level using 100 percent federal funds in fiscal year 2015.

On March 12, 2014, the Governor announced a series of initiatives resulting from a "mid-biennium review" (MBR) of the 2014 and 2015 biennium with the stated purpose of keeping Ohio moving forward. The proposals were introduced in the General Assembly in March 2014 as fourteen separate pieces of legislation. Seven of the fourteen bills were enacted by the General Assembly in May and June 2014 and addressed subjects of elementary and secondary education, higher education, personal income tax reductions and adjustments, workforce, and human services. The MBR also authorized a transfer from the GRF to a Medicaid reserve fund. Please see the Letter of Transmittal within the Introductory Section for additional information regarding the MBR.

The Ohio Constitution prohibits the State from borrowing money to fund operating expenditures in the GRF. Therefore, by law, the GRF's budget must be balanced so that appropriations do not exceed available cash receipts and cash balances for the current fiscal year.

The State ended fiscal year 2015 with a GRF cash balance of $1.71 billion and a GRF budgetary fund balance of $1.29 billion. In addition to meeting the State's statutory target to maintain an ending fund balance reflecting one-half of one percent of fiscal year 2015 GRF revenues, the State transferred $425.5 million into the Budget Stabilization Fund (BSF) in early fiscal year 2016. The Medicaid Reserve Fund also transferred $101.1 million to the BSF, bringing the BSF's cash balance to $2.01 billion by the end of July 2015.

Other Major Governmental Funds

The Job, Family and Other Human Services Fund had a fund balance of $304.3 million at June 30, 2015, a decrease of $36.1 million, or 10.6 percent, compared to fiscal year 2014. Federal Government revenue increased by $1.26 billion, largely attributable to an overall increase in the Medicaid caseload and programmatic costs. Partially offsetting this increase is a decrease of $87.7 million in revenue collected from license, permits and fees.

The increase in Public Assistance and Medicaid expenditures of $980.4 million is primarily attributable to an overall increase in the Medicaid expansion population through the federal Affordable Care Act. A $27.6 million decrease in net Other Financing Sources over the prior fiscal year is largely attributable to a reduction in bonds and notes issued in fiscal year 2015 over fiscal year 2014 also contributed to the decline in the fund balance.

The fund balance for the *Buckeye Tobacco Settlement Financing Authority Revenue Bonds Fund*, as of June 30, 2015, totaled approximately $4.86 billion dollars, a decrease of $107.7 million or 2.2 percent since June 30, 2014. Debt Service expenditures increased by $1.4 million during fiscal year 2015 as a result of scheduled principal and interest payments on outstanding bonds. Additionally, Tobacco Settlement Receipts decreased by $6.7 million from June 30, 2014, which resulted in the decreased fund balance at June 30, 2015.

Proprietary Funds

Major Proprietary Funds

The State's proprietary fund financial statements report the same type of information found in the business-type activities portion of the government-wide financial statements, but in a slightly different format.

The *Workers' Compensation Fund's* net position decreased $191.9 million to $9.27 billion at June 30, 2015. During the fiscal year, investment income decreased $2.5 billion, largely due to an approximately 11.2 percent decrease in the net return on its investment portfolio. The healthy net position brought over from the prior year was enough to mostly offset the decreased income thus resulting in only a two percent decrease in net position.

For fiscal year 2015, the *Lottery Commission Fund* reported $1.07 billion in net income before transfers of approximately $1.09 billion. The $40.6 million decrease in the fund's net position to approximately $261.4 million, as of June 30, 2015, was largely attributable to a $223 million increase in video lottery terminal commission expenses from the opening of two new racinos and a $177.3 million increase in prizes expense connected with increased ticket sales. In addition, the Commission transferred a record high amount to the Lottery Profits Education Fund. Partly offsetting these expense and transfer increases was a $489.3 million increase in charges for sales and services revenue that was primarily due to increased video lottery terminal revenue at of the two new racinos.

The $590.5 million increase in net position in the *Unemployment Compensation Fund* is primarily due to a continued decline in the unemployment rate. The unemployment rate in Ohio dropped from an average of 6.6 percent in fiscal year 2014 to an average of 5.3 percent in fiscal year 2015. The decrease in the unemployment rate caused the State's benefits and claims expense to decrease by $419.9 million or 29.1 percent from the previous fiscal year. While the benefits and claims expense decreased, the State also received less money from the federal government. During fiscal year 2015, the State received $17.5 million of federal funding compared to $293.9 million in fiscal year 2014 resulting in a 94 percent decrease. Contributing to the overall increase in net position is a $402.6 million gain on extinguishment of debt (for the Federal Unemployment Tax Act credit, see NOTE 2).

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2015, and June 30, 2014, the State had invested $26.73 billion and $25.98 billion, respectively, net of accumulated depreciation of $3.83 billion and $3.63 billion, respectively, in a broad range of capital assets, as detailed in the table on the following page.

The total increase in the State's capital assets, net of accumulated depreciation, for the current fiscal year was 2.9 percent (a 2.8 percent increase for governmental activities and an 18.9 percent increase for business-type activities). Depreciation expense increased 10.9 percent for governmental activities.

The State completed construction on a variety of projects at various state facilities during fiscal year 2015 totaling approximately $216 million, as compared with $481.9 million in the previous fiscal year. As is further detailed in NOTE 20D of the notes to the financial statements, the State had $239.5 million in major construction commitments (unrelated to infrastructure), as of June 30, 2015, as compared with $172.3 million for 2014.

Capital Assets, Net of Accumulated Depreciation
As of June 30, 2015 and 2014
(dollars in thousands)

	As of June 30, 2015			As of June 30, 2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	$ 2,323,700	$ 11,994	$ 2,335,694	$ 2,283,721	$ 11,994	$ 2,295,715
Buildings	1,556,212	42,873	1,599,085	1,567,898	49,778	1,617,676
Land Improvements	161,190	6	161,196	168,251	7	168,258
Machinery and Equipment	649,737	32,684	682,421	240,356	20,906	261,262
Vehicles	158,518	1,330	159,848	173,840	1,363	175,203
Infrastructure:						
Highway Network:						
General Subsystem	8,594,583	-	8,594,583	8,568,626	-	8,568,626
Priority Subsystem	8,469,414	-	8,469,414	8,455,171	-	8,455,171
Bridge Network	2,849,116	-	2,849,116	2,893,240	-	2,893,240
Parks, Recreation, and Natural Resources System	80,025	-	80,025	89,310	-	89,310
	24,842,495	88,887	24,931,382	24,440,413	84,048	24,524,461
Construction-in-Progress	1,714,845	83,672	1,798,517	1,389,879	61,114	1,450,993
Total Capital Assets, Net	$26,557,340	$ 172,559	$26,729,899	$25,830,292	$ 145,162	$25,975,454

Modified Approach

For reporting its highway and bridge infrastructure assets, the State has adopted the use of the modified approach. To use this approach, a government must maintain an asset management system and demonstrate that the infrastructure is being preserved approximately at or above an established condition level. Under this approach, infrastructure is not depreciated, and maintenance and preservation costs are expensed. Infrastructure assets accounted for using the modified approach include approximately 43,198 lane miles of highway and approximately 106.2 million square feet of deck area that comprises 14,229 bridges for which the State has the responsibility for ongoing maintenance.

Ohio accounts for its pavement network in two subsystems: Priority and General. It is the State's goal to allow no more than 25 percent of the total lane-miles reported for each of the priority and general subsystems to be classified with a "poor" condition rating. The most recent condition assessment, completed by the Ohio Department of Transportation (ODOT) for fiscal year 2015, indicates that only 1.2 percent and .6 percent of the priority and general subsystems, respectively, were assigned a "poor" condition rating. For fiscal year 2014, only 1.1 percent and .8 percent of the priority and general subsystems, respectively, were assigned a "poor" condition rating.

For the bridge network, it is the State's intention to allow no more than 15 percent of the total number of square feet of deck area to be in "fair" or "poor" condition. The most recent condition assessment, completed by ODOT for fiscal year 2015, indicates that only 2.4 percent of the number of square feet of bridge deck area was considered to be in "fair" and "poor" conditions. For fiscal year 2014, 3.4 percent of the number of square feet of bridge deck area was considered to be in "fair" and "poor" conditions.

For fiscal year 2015, total actual maintenance and preservation costs for the pavement network were $887.8 million, compared to estimated costs of $769.7 million, while total actual maintenance and preservation costs for the bridge network was $571.7 million, $37.1 million above estimate. For the previous fiscal year, total actual maintenance and preservation costs for the pavement network were $826.9 million, compared to estimated costs of $771.7 million, while total actual maintenance and preservation costs for the bridge network was $528 million, $22.6 million below estimate. Overall, the State's costs for actual maintenance and preservation for highway infrastructure assets have exceeded estimates over the past two years due to steadily increasing underlying costs for the materials and labor associated with infrastructure projects.

More detailed information on the State's capital assets can be found in NOTE 8 to the financial statements and in the Required Supplementary Information section of this report.

Debt — Bonds and Notes Payable and Certificates of Participation Obligations

The State's general obligation bonds are backed by its full faith and credit. Revenue bonds and notes are secured with revenues pledged for the retirement of debt principal and the payment of interest. Special obligation bonds are supported with lease payments from tenants of facilities constructed with the proceeds from the bonds. Under certificate of participation (COPs) financing arrangements, the State is required to make rental payments (subject to appropriations) that approximate interest and principal payments made by trustees to certificate holders.

During fiscal year 2015, the State issued, at par, $754.3 million in general obligation bonds, $218.1 million in revenue bonds, $316.6 million in special obligation bonds, and $76.2 million in certificates of participation. Of the general obligation bonds, revenue bonds, and special obligation bonds issued, at par, $212.3 million, $62.3 million, and $42.3 million, respectively, were refunding bonds. The total decrease in the State's debt obligations for the current fiscal year, as based on carrying amount, was .2 percent, all in governmental activities.

As of June 30, 2015, and June 30, 2014, the State had total debt of approximately $17.7 billion and $17.73 billion, respectively, as shown in the table below.

Bonds and Notes Payable and Certificates of Participation
As of June 30, 2015 and 2014
(dollars in thousands)

	Governmental Activities	
	June 30, 2015	June 30, 2014
Bonds and Notes Payable:		
General Obligation Bonds	$ 9,149,056	$ 9,366,348
Revenue Bonds and Notes	6,409,774	6,355,222
Special Obligation Bonds	1,906,844	1,836,136
Certificates of Participation	231,837	173,603
Total Debt	$ 17,697,511	$ 17,731,309

Credit Ratings

Both the State's general and special obligation bonds carry a "stable" credit outlook from all three crediting rating agencies. A credit outlook is an indication of the pressure on the rating over the near-to-intermediate term and should not be viewed as a precursor to a rating change.

The ratings and rating outlooks in effect from time to time reflect only the views of the particular rating organization. An explanation of its view of the meaning and significance of its rating or outlook may be obtained from the respective rating agency. Generally, the rating agencies base their rating on submitted information and on their own investigations, studies, and assumptions. There can be no assurance that the ratings or outlooks assigned will continue for any given time. Rating agencies may lower or withdraw a rating at any time, if in its judgment circumstances so warrant.

The State's bonds and notes are rated as follows:

Credit Ratings
As of June 30, 2015

Bonds and Notes	Issuer	Fitch Inc.	Moody's Investor Services, Inc.	Standard & Poor's Ratings Services	Security and Source of Funds
General Obligations Bonds:					
Common Schools Capital Facilities	Ohio Public Facilities Commission	AA+	Aa1	AA+	General Revenue Funds
Higher Education Capital Facilities	Ohio Public Facilities Commission	AA+	Aa1	AA+	General Revenue Funds
Highway Capital Improvements	Treasurer of State	AA+	Aa1	AAA	Highway User Receipts
Infrastructure Improvements	Ohio Public Facilities Commission	AA+	Aa1	AA+	General Revenue Funds
Coal Research and Development	Ohio Public Facilities Commission	AA+	Aa1	AA+	General Revenue Funds
Natural Resources Capital Facilities ...	Ohio Public Facilities Commission	AA+	Aa1	AA+	General Revenue Funds
Conservation Projects	Ohio Public Facilities Commission	AA+	Aa1	AA+	General Revenue Funds
Development	Ohio Public Facilities Commission	AA+	Aa1	AA+	General Revenue Funds
Site Development	Ohio Public Facilities Commission	AA+	Aa1	AA+	General Revenue Funds
Veterans' Compensation	Ohio Public Facilities Commission	AA+	Aa1	AA+	General Revenue Funds
Revenue Bonds:					
State Infrastructure Bank.....	Treasurer of State	N/A	Aa2	AA	Federal Transportation Grants and Loan Receipts
Tobacco Settlement Asset-Backed.....	Buckeye Tobacco Settlement Financing Authority	B- to BBB+	Caa1 to Aaa	B- to BBB+	Pledged Receipts from the Tobacco Master Settlement Agreement
Special Obligation Bonds:					
Mental Health Facilities.....	Treasurer of State	AA	Aa2	AA	General Revenue Funds
Parks and Recreation Facilities.....	Treasurer of State	AA	Aa2	AA	General Revenue Funds
Cultural and Sports Facilities.....	Treasurer of State	AA	Aa2	AA	General Revenue Funds
Adult Correctional Facilities.....	Treasurer of State	AA	Aa2	AA	General Revenue Funds
Administrative Facilities.....	Treasurer of State	AA	Aa2	AA	General Revenue Funds
Juvenile Correctional Facilities.....	Treasurer of State	AA	Aa2	AA	General Revenue Funds
Transportation Building Projects.....	Treasurer of State	AA	Aa2	AA	Highway User Receipts
Highway Safety Facilities.....	Treasurer of State	AA	Aa2	AA	General Revenue Funds

Limitations on Debt

Section 17 of Article VIII of the Ohio Constitution, approved by Ohio voters in November 1999, establishes an annual debt service "cap" applicable to future issuances of direct obligations payable from the GRF or net state lottery proceeds. Generally, new obligations may not be issued if debt service for any future fiscal year on those new and the then outstanding bonds of those categories would exceed five percent of the total of estimated GRF revenues plus net state lottery proceeds for the fiscal year of issuance.

Those direct obligations of the State include general obligation and special obligation bonds that are paid from the State's GRF, but exclude general obligation debt for Third Frontier Research and Development, development of sites and facilities, and veterans compensation, and general obligation bonds payable from non-GRF funds (such as highway bonds that are paid from highway user receipts). Pursuant to the implementing legislation, the Governor has designated the Director of the Ohio Office of Budget and Management as the State official responsible for making the five percent determinations and certifications. Application of the five percent cap may be waived in a particular instance by a three-fifths vote of each house of the Ohio General Assembly and may be changed by future constitutional amendments.

The State met the requirements of Section 17 of Article VIII of the Ohio Constitution and more detailed information on the State's long-term debt, including changes during the year, can be found in NOTES 10 through 13 and NOTE 15 to the financial statements.

Conditions Expected to Affect Future Operations

Economic Factors

Through October 2015, leading economic indicators continue to point toward modest, uninterrupted economic expansion across the country and in Ohio. The Ohio unemployment rate in October 2015 was 4.4 percent, .6 percentage points below the national unemployment rate. From October 2014 to October 2015, Ohio's nonfarm payroll employment increased by 77 thousand jobs.

Nationally, real gross domestic product (GDP) slowed to 1.5 percent in the third quarter of calendar year 2015, down from 3.9 percent in the second quarter, but still up from .6 percent in the first quarter. Year-over-year growth was a subdued 2 percent.

The national labor market outlook strengthened further in October 2015, as the level of nonfarm payroll employment increased by 271 thousand jobs. The U.S. unemployment rate for October 2015 was five percent, down from 5.1 percent in September, and down from 5.7 percent in October 2014.

The 2016-17 Biennial Budget

The main appropriations act (Act) for the 2016-17 biennium for the General Revenue Fund (GRF), the largest, non-GAAP, budgetary-basis operating fund included in the State's General Fund, was passed by the General Assembly and signed (with selective vetoes) by the Governor on June 30, 2015. Reflecting a stated continuing focus on job creation, and based on a conservative economic forecast, that Act provides for GRF appropriations of approximately $34.9 billion in fiscal year 2016, a 13.1 percent increase over fiscal year 2015 actual spending, and $36.3 billion in fiscal year 2017, a 4.2 percent increase over fiscal year 2016 appropriations.

GRF appropriations for major program categories in fiscal years 2016 and 2017 reflect the following increases: for Medicaid, 21.8 percent in fiscal year 2016 (driven in large part by the shift in funding to the GRF from non-GRF sources beginning in fiscal year 2016 for the Medicaid expansion population), and 5.1 percent for fiscal year 2017; for elementary and secondary education, five percent for fiscal year 2016, and 4.2 percent for fiscal year 2017; for higher education, 4.5 percent for fiscal year 2016, and 3.3 percent for fiscal year 2017; for mental health and developmental disabilities, 9.1 percent for fiscal year 2016, and 7.3 percent for fiscal year 2017; for corrections and youth services, 4.8 percent for fiscal year 2016 appropriations, and 3.0 percent for fiscal year 2017. The Act also modifies the school funding formula to distribute new resources to districts with less capacity to raise revenues locally and freezes tuition and fees for two- and four year higher education institutions.

The Act reflects tax reductions and related adjustments of major State taxes, primarily in personal income taxes. These reductions and adjustments are projected to reduce GRF revenues by approximately $869 million in fiscal year 2016 and by approximately $952 million in fiscal year 2017.

General Revenue Fund

For fiscal year 2016, total fiscal year-to-date GRF receipts collected through October 2015 are $35.7 million above estimates and $1.38 billion higher than collections through October of the prior fiscal year. Total fiscal year-to-date GRF disbursements through October 2015 are $390.3 million below estimates for the first four months of fiscal year 2016 and $712.9 million above expenditures for the first four months of the prior fiscal year. As of October 2015, receipts were .3 percent above budget estimates and disbursements were three percent below budget estimates for fiscal year 2016. Fiscal year 2016 receipts are 13.5 percent ahead of receipts for the first four months of fiscal year 2015. Disbursements for fiscal year 2016 are six percent above disbursements for the same time period of fiscal year 2015.

Budget Stabilization Fund

The Budget Stabilization Fund (BSF) is Ohio's rainy day savings account, a reserve balance set aside in good economic times to protect the State's budget from cyclical changes in revenues and expenditures should the economy become weakened unexpectedly. By law, the maximum balance for the BSF had for many years been set at five percent of the prior fiscal year's GRF revenues. In June 2015, Governor Kasich signed a provision that increased the authorized maximum BSF balance to 8.5 percent of GRF revenues. After depositing $526.6 million into the BSF in July 2015, the BSF has reached a record-high balance in excess of $2 billion, the strongest reserves in State history.

Workers' Compensation Fund

The Bureau of Workers' Compensation (BWC) is in the process of transitioning its premium collection model to a prospective payment system that will provide more flexibility for employers while reducing overall systems costs. The change will align BWC with standard industry practice and will enable BWC to collect premiums before extending coverage. Private employers transitioned to prospective billing on July, 1, 2015, while public employer taxing districts will transition on January 1, 2016. The prospective billing system resulted in an overall base rate reduction of two percent for private employers and four percent for public employers and provides for increased ability to detect employer non-compliance and fraud. Transitional one-time premium credits are planned to eliminate any double payment by employers.

House Bill 52, signed by the Governor in June 2015, allows BWC to transfer investment income from the State Insurance Fund (SIF) to cover the cost of the Disabled Workers' Relief Fund (One) benefits for private and public taxing district employers rather than levying assessments against these employers. BWC management will recommend that the Board of Directors approve the use of the SIF investment earnings and will then record a $582 million liability in the SIF that will result in $582 million decrease to the net position of BWC during fiscal year 2016.

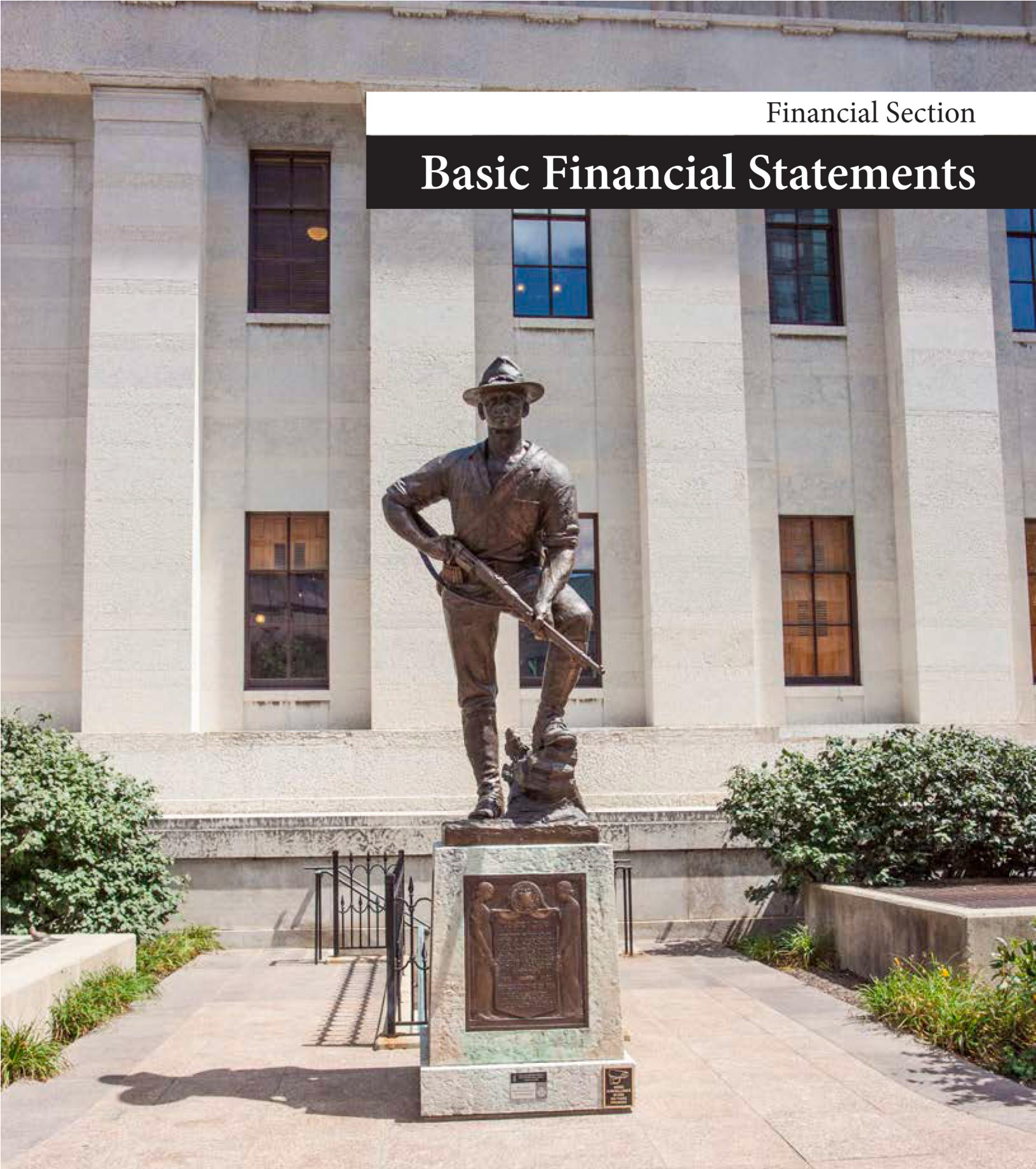
Unemployment Compensation Fund

During fiscal years 2009 and 2010, the State sought federal assistance in meeting its unemployment benefit costs and received repayable advances in the Unemployment Trust Fund of $2.31 billion from the Federal Unemployment Account to cover the insufficient State funds for benefit claims during those fiscal years. The State continues to make principal and interest payments on these advances. During fiscal year 2015, Federal Unemployment Tax Act (FUTA) credits of $402.6 million also offset the outstanding repayable advances. As of June 30, 2015, the outstanding repayable advances balance is $978.5 million. More information relating to the FUTA credits and remaining advances can be found in NOTE 2D and NOTE 14, respectively.

Contacting the Ohio Office of Budget and Management

This financial report is designed to provide the State's citizens, taxpayers, customers, investors and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. Questions regarding any of the information provided in this report or requests for additional financial information should be addressed to the Ohio Office of Budget and Management, Financial Reporting Section, 30 East Broad Street, 34th Floor, Columbus, Ohio 43215-3457 or by e-mail at obm@obm.state.oh.us.

Basic Financial Statements



The Spirit of '98

- West side of the Ohio Statehouse
- Erected in 1930
- To the honor and memory of the Ohio veterans of the Spanish-American War, Philippine Insurrection, and the China Relief Expedition

STATE OF OHIO
STATEMENT OF NET POSITION
JUNE 30, 2015
(dollars in thousands)

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS:				
Cash Equity with Treasurer	$ 9,707,774	$ 74,150	$ 9,781,924	$ 448,744
Cash and Cash Equivalents	183,168	981,571	1,164,739	1,672,093
Investments	1,183,268	23,911,544	25,094,812	9,758,759
Collateral on Lent Securities	2,378,044	9,260	2,387,304	106,388
Deposit with Federal Government	—	589,867	589,867	—
Taxes Receivable	1,583,519	—	1,583,519	—
Intergovernmental Receivable	1,770,653	6,545	1,777,198	48,558
Premiums and Assessments Receivable	—	2,852,169	2,852,169	—
Investment Trade Receivable	—	486,154	486,154	—
Loans Receivable, Net	1,098,085	—	1,098,085	265,029
Receivable from Primary Government	—	—	—	33,374
Receivable from Component Units	30,508	—	30,508	—
Other Receivables	1,180,667	331,738	1,512,405	1,275,754
Inventories	102,011	—	102,011	132,750
Other Assets	7,358	19,132	26,490	1,896,927
Restricted Assets:				
Cash Equity with Treasurer	—	37	37	—
Cash and Cash Equivalents	374	—	374	794,654
Investments	453,382	976,369	1,429,751	2,809,651
Collateral on Lent Securities	—	180,460	180,460	—
Other Receivables	—	1,338	1,338	—
Capital Assets Being Depreciated, Net	2,541,802	76,893	2,618,695	12,890,902
Capital Assets Not Being Depreciated	24,015,538	95,666	24,111,204	1,725,311
TOTAL ASSETS	46,236,151	30,592,893	76,829,044	33,858,894
DEFERRED OUTFLOWS OF RESOURCES	4,948,308	22,899	4,971,207	485,190
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**51,184,459**	**30,615,792**	**81,800,251**	**34,344,084**
LIABILITIES:				
Accounts Payable	798,261	32,021	830,282	643,253
Accrued Liabilities	336,324	3,238	339,562	521,688
Medicaid Claims Payable	1,899,293	—	1,899,293	—
Obligations Under Securities Lending	2,378,044	189,720	2,567,764	106,388
Investment Trade Payable	—	637,652	637,652	—
Intergovernmental Payable	1,112,608	115	1,112,723	17,666
Internal Balances	654,419	(654,419)	—	—
Payable to Primary Government	—	—	—	19,004
Payable to Component Units	33,485	—	33,485	—
Unearned Revenue	425,137	2,312	427,449	484,684
Benefits Payable	—	1,384	1,384	—
Refund and Other Liabilities	766,946	334,901	1,101,847	157,838
Noncurrent Liabilities:				
Bonds and Notes Payable:				
Due in One Year	1,193,336	—	1,193,336	952,862
Due in More Than One Year	16,272,338	—	16,272,338	9,751,261
Certificates of Participation:				
Due in One Year	32,700	—	32,700	—
Due in More Than One Year	199,137	—	199,137	—
Other Noncurrent Liabilities:				
Due in One Year	142,222	3,339,747	3,481,969	563,766
Due in More Than One Year	3,421,004	17,446,670	20,867,674	6,901,238
TOTAL LIABILITIES	29,665,254	21,333,341	50,998,595	20,119,648
DEFERRED INFLOWS OF RESOURCES	2,201,389	4,086	2,205,475	4,661,198
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**31,866,643**	**21,337,427**	**53,204,070**	**24,780,846**

The notes to the financial statements are an integral part of this statement.

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
NET POSITION (DEFICITS):				
Net Investment in Capital Assets	23,396,447	159,466	23,555,913	7,608,990
Restricted for:				
Primary, Secondary and Other Education	110,978	—	110,978	—
Higher Education Support	25,974	—	25,974	—
Public Assistance and Medicaid	746,730	—	746,730	—
Health and Human Services	81,982	—	81,982	—
Justice and Public Protection	122,305	—	122,305	—
Environmental Protection and Natural Resources	199,409	—	199,409	—
Transportation	3,370,828	—	3,370,828	244,206
General Government	200,748	—	200,748	—
Community and Economic Development	243,166	—	243,166	26,106
Lottery Prizes	—	66,332	66,332	—
Workers Compensation	—	9,125,985	9,125,985	—
Tuition Trust Authority	—	89,896	89,896	—
Nonexpendable for				
Colleges and Universities	—	—	—	3,525,095
Expendable for				
Colleges and Universities	—	—	—	2,932,058
Unrestricted	(9,180,751)	(163,314)	(9,344,065)	(4,773,217)
TOTAL NET POSITION (DEFICITS)	**$ 19,317,816**	**$ 9,278,365**	**$ 28,596,181**	**$ 9,563,238**

STATE OF OHIO
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(dollars in thousands)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES, FEES, FINES AND FORFEITURES	PROGRAM REVENUES: OPERATING GRANTS, CONTRIBUTIONS AND RESTRICTED INVESTMENT INCOME/(LOSS)	PROGRAM REVENUES: CAPITAL GRANTS, CONTRIBUTIONS AND RESTRICTED INVESTMENT INCOME/(LOSS)	NET (EXPENSE) REVENUE
PRIMARY GOVERNMENT:					
GOVERNMENTAL ACTIVITIES:					
Primary, Secondary and Other Education	$ 12,767,328	$ 29,382	$ 1,884,848	$ —	$ (10,853,098)
Higher Education Support	2,536,850	2,501	22,073	—	(2,512,276)
Public Assistance and Medicaid	28,265,942	1,438,860	20,577,546	—	(6,249,536)
Health and Human Services	1,576,185	139,794	802,129	—	(634,262)
Justice and Public Protection	3,210,965	1,071,484	145,977	151	(1,993,353)
Environmental Protection and Natural Resources	507,889	213,376	92,931	61	(201,521)
Transportation	2,660,362	324,553	51,033	1,387,990	(896,786)
General Government	921,426	480,796	36,833	309	(403,488)
Community and Economic Development	3,518,678	519,685	352,103	9,952	(2,636,938)
Interest on Long-Term Debt (excludes interest charged as program expense)	102,980	—	—	—	(102,980)
TOTAL GOVERNMENTAL ACTIVITIES	**56,068,605**	**4,220,431**	**23,965,473**	**1,398,463**	**(26,484,238)**
BUSINESS-TYPE ACTIVITIES:					
Workers' Compensation	2,533,883	1,962,587	509,882	—	(61,414)
Lottery Commission	2,724,306	3,776,450	19,096	—	1,071,240
Unemployment Compensation	1,034,060	1,228,403	611	—	194,954
Tuition Trust Authority	71,801	9,363	79,680	—	17,242
Office of Auditor of State	70,032	43,448	—	—	(26,584)
TOTAL BUSINESS-TYPE ACTIVITIES	**6,434,082**	**7,020,251**	**609,269**	**—**	**1,195,438**
TOTAL PRIMARY GOVERNMENT	**$ 62,502,687**	**$ 11,240,682**	**$ 24,574,742**	**$ 1,398,463**	**$ (25,288,800)**
COMPONENT UNITS:					
Ohio Facilities Construction Commission	$ 387,544	$ 28,312	$ 2,677	$ —	$ (356,555)
Ohio State University	5,286,920	4,065,308	691,209	1,688	(528,715)
Other Component Units	7,841,951	5,257,259	758,581	27,921	(1,798,190)
TOTAL COMPONENT UNITS	**$ 13,516,415**	**$ 9,350,879**	**$ 1,452,467**	**$ 29,609**	**$ (2,683,460)**

The notes to the financial statements are an integral part of this statement.

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
CHANGES IN NET POSITION:				
Net (Expense) Revenue	$ (26,484,238)	$ 1,195,438	$ (25,288,800)	$ (2,683,460)
General Revenues:				
Taxes:				
Income	8,906,476	—	8,906,476	—
Sales	10,170,995	—	10,170,995	—
Corporate and Public Utility	2,687,540	—	2,687,540	—
Cigarette	808,270	—	808,270	—
Other	953,339	—	953,339	—
Restricted for Transportation Purposes:				
Motor Vehicle Fuel Taxes	1,827,134	—	1,827,134	—
Total Taxes	25,353,754	—	25,353,754	—
Tobacco Settlement	284,267	—	284,267	—
Escheat Property	220,486	—	220,486	—
Unrestricted Investment Income	36,462	5	36,467	219,984
State Assistance	—	—	—	2,425,345
Other	275	—	275	715,705
Gain (Loss) on Extinguishment of Debt	1,276	402,562	403,838	(1,082)
Additions to Endowments and Permanent Fund Principal	—	—	—	100,194
Transfers-Internal Activities	1,082,061	(1,082,061)	—	—
TOTAL GENERAL REVENUES, GAINS (LOSSES), CONTRIBUTIONS, SPECIAL ITEMS AND TRANSFERS	**26,978,581**	**(679,494)**	**26,299,087**	**3,460,146**
CHANGE IN NET POSITION	**494,343**	**515,944**	**1,010,287**	**776,686**
NET POSITION (DEFICITS), JULY 1 (as restated)	18,823,473	8,762,421	27,585,894	8,786,552
NET POSITION (DEFICITS), JUNE 30	**$ 19,317,816**	**$ 9,278,365**	**$ 28,596,181**	**$ 9,563,238**

STATE OF OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

(dollars in thousands)

	MAJOR FUNDS		
	GENERAL	**JOB, FAMILY AND OTHER HUMAN SERVICES**	**BUCKEYE TOBACCO SETTLEMENT FINANCING AUTHORITY REVENUE BONDS**
ASSETS:			
Cash Equity with Treasurer	$ 5,868,009	$ 354,031	$ —
Cash and Cash Equivalents	91,184	3,093	374
Investments	1,143,600	—	453,382
Collateral on Lent Securities	1,442,017	86,303	—
Taxes Receivable	1,484,355	—	—
Intergovernmental Receivable	1,133,497	181,139	—
Loans Receivable, Net	996,628	—	—
Interfund Receivable	—	—	—
Receivable from Component Units	487	—	—
Other Receivables	247,548	465,023	431,125
Inventories	21,870	—	—
Other Assets	21	—	—
TOTAL ASSETS	12,429,216	1,089,589	884,881
DEFERRED OUTFLOWS OF RESOURCES	—	—	4,406,567
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 12,429,216**	**$ 1,089,589**	**$ 5,291,448**
LIABILITIES:			
Accounts Payable	$ 277,823	$ 131,247	$ —
Accrued Liabilities	97,815	15,412	—
Medicaid Claims Payable	1,658,431	—	—
Obligations Under Securities Lending	1,442,017	86,303	—
Intergovernmental Payable	802,234	103,054	—
Interfund Payable	478,590	13,963	—
Payable to Component Units	25,708	707	—
Unearned Revenue	—	370,798	—
Refund and Other Liabilities	764,507	1,744	—
Liability for Escheat Property	236,773	—	—
TOTAL LIABILITIES	5,783,898	723,228	—
DEFERRED INFLOWS OF RESOURCES	1,641,519	62,087	431,099
FUND BALANCES (DEFICITS):			
Nonspendable	49,655	—	—
Restricted	1,153,828	257,096	4,860,349
Committed	803,551	47,178	—
Assigned	2,585,575	—	—
Unassigned	411,190	—	—
TOTAL FUND BALANCES (DEFICITS)	5,003,799	304,274	4,860,349
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 12,429,216**	**$ 1,089,589**	**$ 5,291,448**

The notes to the financial statements are an integral part of this statement.

NONMAJOR GOVERNMENTAL FUNDS	TOTAL
$ 3,485,734	$ 9,707,774
88,891	183,542
39,668	1,636,650
849,724	2,378,044
99,164	1,583,519
456,017	1,770,653
101,457	1,098,085
1,297	1,297
30,021	30,508
36,971	1,180,667
80,141	102,011
—	21
5,269,085	19,672,771
—	4,406,567
$ 5,269,085	**$ 24,079,338**
$ 389,191	$ 798,261
56,645	169,872
240,862	1,899,293
849,724	2,378,044
207,320	1,112,608
163,163	655,716
7,070	33,485
54,339	425,137
695	766,946
—	236,773
1,969,009	8,476,135
39,843	2,174,548
80,141	129,796
2,621,521	8,892,794
558,877	1,409,606
—	2,585,575
(306)	410,884
3,260,233	13,428,655
$ 5,269,085	**$ 24,079,338**

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STATE OF OHIO

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2015

(dollars in thousands)

Total Fund Balances for Governmental Funds		***$ 13,428,655***
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Net Pension Assets Reported for Governmental Activities are not Financing Resources and therefore are not Reported in the Funds		*7,337*
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. Those assets consist of:		
Land		*2,323,700*
Buildings and Improvements, net of $2,172,453 accumulated depreciation		*1,556,212*
Land Improvements, net of $310,085 accumulated depreciation		*161,190*
Machinery and Equipment, net of $773,871 accumulated depreciation		*649,737*
Vehicles, net of $228,112 accumulated depreciation		*158,518*
Infrastructure, net of $31,622 accumulated depreciation		*19,993,138*
Construction-in-Progress		*1,714,845*
		26,557,340
The following Deferred Outflows of Resources are not related to the current period and therefore, are not reported in the funds.		
Hedging Derivatives		*34,675*
Loss on Debt Refundings		*163,743*
Net Pension Asset/Liability		*343,323*
Total Deferred Outflows of Resources		*541,741*
The following liabilities are not due and payable in the current period, and therefore, are not reported in the funds.		
Accrued Liabilities:		
Interest Payable		*(166,452)*
Bonds and Notes Payable:		
General Obligation Bonds		*(9,149,056)*
Revenue Bonds and Notes		*(6,409,774)*
Special Obligation Bonds		*(1,906,844)*
Certificates of Participation		*(231,837)*
Other Noncurrent Liabilities:		
Compensated Absences		*(421,817)*
Net Pension Liability		*(2,703,806)*
Net OPEB Obligation		*(149,131)*
Capital Leases Payable		*(2,072)*
Derivatives		*(45,873)*
Estimated Claims Payable		*(2,186)*
Pollution Remediation		*(1,568)*
		(21,190,416)
The following Deferred Inflows of Resources are not related to the current period and therefore, are not reported in the funds.		
Resources from the Sale of Future Revenues	*(1,287,933)*	
Net Pension Asset/Liability	*(61,056)*	
Less Unavailable Resources Reported in the Funds.:		
Taxes Receivable	*82,616*	
Intergovernmental Receivable	*789,059*	
Other Receivables	*450,473*	
	1,322,148	
Total Deferred Inflows of Resources		*(26,841)*
Total Net Position of Governmental Activities		***$ 19,317,816***

The notes to the financial statements are an integral part of this statement.

STATE OF OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

	MAJOR FUNDS		
	GENERAL	**JOB, FAMILY AND OTHER HUMAN SERVICES**	**BUCKEYE TOBACCO SETTLEMENT FINANCING AUTHORITY REVENUE BONDS**
REVENUES:			
Income Taxes	$ 8,895,192	$ —	$ —
Sales Taxes	10,166,332	—	—
Corporate and Public Utility Taxes	2,597,993	—	—
Motor Vehicle Fuel Taxes	1,114,542	—	—
Cigarette Taxes	808,270	—	—
Other Taxes	648,099	1,415	—
Licenses, Permits and Fees	734,839	1,047,817	—
Sales, Services and Charges	76,208	—	—
Federal Government	8,942,561	9,609,248	—
Tobacco Settlement	94	—	285,822
Escheat Property	220,486	—	—
Investment Income	47,438	2,878	1,092
Other	244,296	223,506	—
TOTAL REVENUES	**34,496,350**	**10,884,864**	**286,914**
EXPENDITURES:			
CURRENT OPERATING:			
Primary, Secondary and Other Education	9,290,820	242	58,484
Higher Education Support	2,372,521	181	—
Public Assistance and Medicaid	16,239,358	10,480,925	—
Health and Human Services	587,606	315,107	—
Justice and Public Protection	2,438,449	67,320	—
Environmental Protection and Natural Resources	92,685	—	—
Transportation	9,289	—	—
General Government	441,707	2,498	—
Community and Economic Development	2,469,530	—	—
CAPITAL OUTLAY	—	11,292	—
DEBT SERVICE	—	—	322,331
TOTAL EXPENDITURES	**33,941,965**	**10,877,565**	**380,815**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**554,385**	**7,299**	**(93,901)**
OTHER FINANCING SOURCES (USES):			
Bonds, Notes, and COPs Issued	460,000	—	—
Refunding Bonds and COPs Issued	—	—	—
Payment to Refunded Bond and COPs Escrow Agents	—	—	—
Premiums/Discounts	48,536	—	—
Transfers-in	321,156	2,226	—
Transfers-out	(2,072,234)	(45,673)	(13,771)
TOTAL OTHER FINANCING SOURCES (USES)	**(1,242,542)**	**(43,447)**	**(13,771)**
NET CHANGE IN FUND BALANCES	**(688,157)**	**(36,148)**	**(107,672)**
FUND BALANCES (DEFICITS), July 1 (as restated)	5,695,511	340,422	4,968,021
Increase (Decrease) for Changes in Inventories	(3,555)	—	—
FUND BALANCES (DEFICITS), JUNE 30	**$ 5,003,799**	**$ 304,274**	**$ 4,860,349**

The notes to the financial statements are an integral part of this statement.

NONMAJOR GOVERNMENTAL FUNDS	TOTAL
$ 11,067	$ 8,906,259
4,663	10,170,995
89,547	2,687,540
712,592	1,827,134
—	808,270
303,825	953,339
1,217,814	3,000,470
39,464	115,672
5,982,162	24,533,971
—	285,916
—	220,486
11,023	62,431
839,757	1,307,559
9,211,914	**54,880,042**
3,036,320	12,385,866
27,337	2,400,039
1,911,906	28,632,189
616,438	1,519,151
689,962	3,195,731
320,343	413,028
2,826,416	2,835,705
338,572	782,777
961,894	3,431,424
498,817	510,109
1,636,642	1,958,973
12,864,647	**58,064,992**
(3,652,733)	**(3,184,950)**
650,591	1,110,591
254,590	254,590
(382,933)	(382,933)
171,463	219,999
3,349,834	3,673,216
(459,477)	(2,591,155)
3,584,068	**2,284,308**
(68,665)	**(900,642)**
3,324,419	14,328,373
4,479	924
$ 3,260,233	**$ 13,428,655**

STATE OF OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

Net Change in Fund Balances -- Total Governmental Funds		***(900,642)***
Change in Inventories		*924*
		(899,718)

The change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay Expenditures	*1,026,371*	
Depreciation Expense	*(299,323)*	
Excess of Capital Outlay Over Depreciation Expense		*727,048*

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. In the current period, proceeds were received from:

General Obligation Bonds	*(542,000)*	
Revenue Bonds and Notes	*(155,875)*	
Special Obligation Bonds	*(274,300)*	
Refunding Bonds, including Bond Premium/Discount, Net	*(384,955)*	
Certificates of Participation	*(76,150)*	
Premiums and Discounts, Net:		
General Obligation Bonds	*(74,697)*	
Revenue Bonds and Notes	*(23,397)*	
Special Obligation Bonds	*(41,877)*	
Certificates of Participation	*(11,926)*	
Total Debt Proceeds		*(1,585,177)*

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consist of:

Debt Principal Retirement and Defeasements:		
General Obligation Bonds	*997,569*	
Revenue Bonds and Notes	*227,441*	
Special Obligation Bonds	*270,448*	
Certificates of Participation	*26,330*	
Capital Lease Payments	*983*	
Total Long-Term Debt Repayment		*1,522,771*

The notes to the financial statements are an integral part of this statement.

Some revenues and expenses reported in the Statement of Activities are not reported as revenue and expenditures in the governmental funds. Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses, liabilities, and deferred resources are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the changes in the following balances:

Increase in Other Assets	*5,336*	
Increase in Accrued Interest and Other Accrued Liabilities	*(3,508)*	
Amortization of Bond Premiums/Accretion of Bond Discount, Net	*97,187*	
Decrease in Refunding Loss Included in Deferred Outflows of Resources	*(9,101)*	
Increase in Pension Related Balances Included in Deferred Outflows of Resources	*124,580*	
Decrease in Compensated Absences	*4,878*	
Decrease in Derivative Liabilities (Excluding Hedging Derivatives)	*655*	
Decrease in Estimated Claims Payable	*9,545*	
Increase in Pollution Remediation	*(18)*	
Decrease in Net Pension Obligation	*28,183*	
Increase in Net Pension Liability	*(51,387)*	
Increase in Liability for OPEB Obligation	*(21,030)*	
Increase in Other Noncurrent Liabilities	*(193)*	
Decrease in Deferred Inflow of Resources	*544,292*	
Total additional revenues and expenditures		*729,419*
Change in Net Position of Governmental Activities		***$ 494,343***

STATE OF OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) GENERAL FUND AND MAJOR SPECIAL REVENUE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

	GENERAL			
	BUDGET			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
REVENUES:				
Income Taxes	$ 8,593,359	$ 8,593,359	$ 8,872,125	$ 278,766
Sales Taxes	10,115,425	10,115,425	10,166,655	51,230
Corporate and Public Utility Taxes	2,630,997	2,630,997	2,678,983	47,986
Motor Vehicle Fuel Taxes	1,120,107	1,120,107	1,120,107	—
Cigarette Taxes	794,100	794,100	808,164	14,064
Other Taxes	657,169	657,169	655,360	(1,809)
Licenses, Permits and Fees	736,103	736,103	732,330	(3,773)
Sales, Services and Charges	101,253	101,253	102,040	787
Federal Government	9,046,678	9,046,678	9,357,226	310,548
Tobacco Settlement	38,714	38,714	38,714	—
Investment Income	29,689	29,689	32,860	3,171
Other	1,410,738	1,410,738	1,395,817	(14,921)
TOTAL REVENUES	**35,274,332**	**35,274,332**	**35,960,381**	**686,049**
BUDGETARY EXPENDITURES:				
CURRENT OPERATING:				
Primary, Secondary and Other Education	9,234,053	9,234,455	9,161,804	72,651
Higher Education Support	3,087,937	2,444,820	2,440,454	4,366
Public Assistance and Medicaid	17,164,441	17,156,368	16,343,325	813,043
Health and Human Services	794,569	794,244	716,969	77,275
Justice and Public Protection	2,553,034	2,602,786	2,487,072	115,714
Environmental Protection and Natural Resources	143,857	131,549	124,077	7,472
Transportation	14,585	14,585	14,290	295
General Government	1,291,346	1,337,970	1,150,702	187,268
Community and Economic Development	3,681,643	3,026,940	2,732,835	294,105
CAPITAL OUTLAY	—	—	—	—
DEBT SERVICE	1,311,999	1,312,159	1,261,820	50,339
TOTAL BUDGETARY EXPENDITURES	**39,277,464**	**38,055,876**	**36,433,348**	**1,622,528**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	**(4,003,132)**	**(2,781,544)**	**(472,967)**	**2,308,577**
OTHER FINANCING SOURCES (USES):				
Bonds and Notes Issued	164,764	164,764	164,764	—
Transfers-in	1,783,746	1,783,746	1,585,813	(197,933)
Transfers-out	(2,217,647)	(2,217,647)	(2,049,959)	167,688
TOTAL OTHER FINANCING SOURCES (USES)	**(269,137)**	**(269,137)**	**(299,382)**	**(30,245)**
NET CHANGE IN FUND BALANCES	**$ (4,272,269)**	**$ (3,050,681)**	**(772,349)**	**$ 2,278,332**
BUDGETARY FUND BALANCES (DEFICITS), JULY 1			4,813,165	
Outstanding Encumbrances at Beginning of Fiscal Year			944,361	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30			**$ 4,985,177**	

The notes to the financial statements are an integral part of this statement.

JOB, FAMILY AND OTHER HUMAN SERVICES			
BUDGET			VARIANCE WITH FINAL BUDGET
ORIGINAL	FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
		$ —	
		—	
		—	
		—	
		—	
		1,415	
		1,011,473	
		—	
		6,649,148	
		—	
		2,878	
		795,779	
		8,460,693	
$ 284	$ 284	263	$ 21
1,273	1,273	489	784
10,605,300	10,712,142	9,165,226	1,546,916
392,942	392,942	340,564	52,378
79,039	82,548	72,694	9,854
—	—	—	—
—	—	—	—
2,719	2,719	2,444	275
—	—	—	—
32,396	17,511	17,511	—
—	—	—	—
$ 11,113,953	**$ 11,209,419**	**9,599,191**	**$ 1,610,228**
		(1,138,498)	
		185	
		7,836	
		(53,676)	
		(45,655)	
		(1,184,153)	
		(721,663)	
		1,098,254	
		$ (807,562)	

STATE OF OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS -- ENTERPRISE
JUNE 30, 2015
(dollars in thousands)

	MAJOR PROPRIETARY FUNDS		
	WORKERS' COMPENSATION	LOTTERY COMMISSION	UNEMPLOYMENT COMPENSATION
ASSETS:			
CURRENT ASSETS:			
Cash Equity with Treasurer	$ 9,229	$ 28,156	$ —
Cash and Cash Equivalents	787,574	161,080	550
Collateral on Lent Securities	2,250	6,864	—
Restricted Assets:			
Cash Equity with Treasurer	—	37	—
Investments	—	60,011	—
Collateral on Lent Securities	—	180,460	—
Other Receivables	—	1,338	—
Deposit with Federal Government	—	—	589,867
Intergovernmental Receivable	—	—	416
Premiums and Assessments Receivable	11,496	—	27,815
Investment Trade Receivable	486,154	—	—
Interfund Receivable	61,247	1,518	1,643
Other Receivables	237,876	64,366	27,999
Other Assets	2,115	12,534	4,247
TOTAL CURRENT ASSETS	1,597,941	516,364	652,537
NONCURRENT ASSETS:			
Restricted Assets:			
Investments	—	516,440	—
Investments	23,910,342	—	—
Premiums and Assessments Receivable	2,812,858	—	—
Interfund Receivable	590,397	—	—
Other Assets	227	—	—
Capital Assets Being Depreciated, Net	46,681	28,783	—
Capital Assets Not Being Depreciated	95,666	—	—
TOTAL NONCURRENT ASSETS	27,456,171	545,223	—
TOTAL ASSETS	29,054,112	1,061,587	652,537
DEFERRED OUTFLOWS OF RESOURCES	16,679	1,770	—
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**29,070,791**	**1,063,357**	**652,537**
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts Payable	21,226	9,063	—
Accrued Liabilities	—	—	—
Obligations Under Securities Lending	2,250	187,324	—
Investment Trade Payable	637,652	—	—
Intergovernmental Payable	—	—	601,317
Prize Awards Payable	—	61,386	—
Interfund Payable	—	21	—
Unearned Revenue	—	1,380	—
Benefits Payable	1,752,249	—	1,384
Refund and Other Liabilities	1,119,291	54,241	8,395
TOTAL CURRENT LIABILITIES	3,532,668	313,415	611,096
NONCURRENT LIABILITIES:			
Intergovernmental Payable	—	—	377,257
Prize Awards Payable	—	456,846	—
Interfund Payable	—	1,464	—
Benefits Payable	14,637,151	—	—
Refund and Other Liabilities	1,630,209	29,343	—
TOTAL NONCURRENT LIABILITIES	16,267,360	487,653	377,257
TOTAL LIABILITIES	19,800,028	801,068	988,353
DEFERRED INFLOWS OF RESOURCES	2,431	906	—
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**19,802,459**	**801,974**	**988,353**
NET POSITION (DEFICITS):			
Net Investment in Capital Assets	142,347	15,690	—
Restricted for Lottery Prizes	—	66,332	—
Unrestricted	9,125,985	179,361	(335,816)
TOTAL NET POSITION (DEFICITS)	**$ 9,268,332**	**$ 261,383**	**$ (335,816)**

The notes to the financial statements are an integral part of this statement.

NONMAJOR PROPRIETARY FUNDS	TOTAL
$ 36,765	$ 74,150
32,367	981,571
146	9,260
—	37
76,400	136,411
—	180,460
—	1,338
—	589,867
6,129	6,545
—	39,311
—	486,154
1,216	65,624
1,497	331,738
—	18,896
154,520	2,921,362
323,518	839,958
1,202	23,911,544
—	2,812,858
7,499	597,896
9	236
1,429	76,893
—	95,666
333,657	28,335,051
488,177	31,256,413
4,450	22,899
492,627	**31,279,312**
1,732	32,021
3,238	3,238
146	189,720
—	637,652
—	601,317
—	61,386
117	138
932	2,312
76,400	1,830,033
1,484	1,183,411
84,049	4,541,228
—	377,257
—	456,846
7,499	8,963
266,400	14,903,551
49,464	1,709,016
323,363	17,455,633
407,412	21,996,861
749	4,086
408,161	**22,000,947**
1,429	159,466
—	66,332
83,037	9,052,567
$ 84,466	**$ 9,278,365**

STATE OF OHIO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS -- ENTERPRISE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

	MAJOR PROPRIETARY FUNDS		
	WORKERS' COMPENSATION	LOTTERY COMMISSION	UNEMPLOYMENT COMPENSATION
OPERATING REVENUES:			
Charges for Sales and Services	$ —	$ 3,770,156	$ 26,599
Premium and Assessment Income	1,954,174	—	1,155,627
Federal Government	—	—	17,533
Investment Income	—	—	—
Other	8,413	6,294	28,644
TOTAL OPERATING REVENUES	**1,962,587**	**3,776,450**	**1,228,403**
OPERATING EXPENSES:			
Costs of Sales and Services	—	—	—
Administration	53,235	120,708	—
Bonuses and Commissions	—	693,257	—
Prizes	—	1,875,258	—
Benefits and Claims	1,394,939	—	1,024,300
Depreciation	8,790	8,637	—
Other	1,076,919	1,093	9,760
TOTAL OPERATING EXPENSES	**2,533,883**	**2,698,953**	**1,034,060**
OPERATING INCOME (LOSS)	**(571,296)**	**1,077,497**	**194,343**
NONOPERATING REVENUES (EXPENSES):			
Investment Income	509,882	19,096	611
Interest Expense	—	(275)	—
Other	—	(25,078)	—
TOTAL NONOPERATING REVENUES (EXPENSES)	**509,882**	**(6,257)**	**611**
INCOME (LOSS) BEFORE GAIN (LOSS) AND TRANSFERS	**(61,414)**	**1,071,240**	**194,954**
Gain on Extinguishment of Debt	—	—	402,562
Transfers-in	—	—	—
Transfers-out	(8,796)	(1,094,488)	(7,039)
TOTAL GAIN (LOSS) AND TRANSFERS	**(8,796)**	**(1,094,488)**	**395,523**
NET INCOME (LOSS)	**(70,210)**	**(23,248)**	**590,477**
NET POSITION (DEFICITS), JULY 1 (as restated)	9,338,542	284,631	(926,293)
NET POSITION (DEFICITS), JUNE 30	**$ 9,268,332**	**$ 261,383**	**$ (335,816)**

The notes to the financial statements are an integral part of this statement.

NONMAJOR PROPRIETARY FUNDS	TOTAL
$ 52,486	$ 3,849,241
—	3,109,801
—	17,533
(720)	(720)
80,725	124,076
132,491	**7,099,931**
64,567	64,567
11,876	185,819
—	693,257
—	1,875,258
63,361	2,482,600
433	17,860
1,596	1,089,368
141,833	**6,408,729**
(9,342)	**691,202**
5	529,594
—	(275)
—	(25,078)
5	**504,241**
(9,337)	**1,195,443**
—	402,562
28,262	28,262
—	(1,110,323)
28,262	**(679,499)**
18,925	**515,944**
65,541	8,762,421
$ 84,466	**$ 9,278,365**

STATE OF OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS -- ENTERPRISE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(dollars in thousands)

	MAJOR PROPRIETARY FUNDS		
	WORKERS' COMPENSATION	LOTTERY COMMISSION	UNEMPLOYMENT COMPENSATION
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	$ —	$ 3,675,876	$ —
Cash Received from Multi-State Lottery for Grand Prize Winner	—	73,121	—
Cash Received from Premiums and Assessments	1,968,405	—	1,179,569
Cash Received from Interfund Services Provided	72,798	—	—
Other Operating Cash Receipts	36,652	111,451	39,139
Cash Payments to Suppliers for Goods and Services	(56,390)	(87,429)	—
Cash Payments to Employees for Services	(189,767)	(29,050)	—
Cash Payments for Benefits and Claims	(1,773,525)	—	(923,536)
Cash Payments for Lottery Prizes	—	(2,022,969)	—
Cash Payments for Bonuses and Commissions	—	(693,257)	—
Cash Payments for Premium Reductions and Refunds	(1,310,018)	—	—
Cash Payments for Interfund Services Used	(25,463)	(6,607)	—
Other Operating Cash Payments	—	(547)	(100,867)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	**(1,277,308)**	**1,020,589**	**194,305**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers-in	—	—	—
Transfers-out	(8,796)	(1,094,488)	(7,039)
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	**(8,796)**	**(1,094,488)**	**(7,039)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal Payments on Bonds, Notes and Capital Leases	—	(5,932)	—
Acquisition and Construction of Capital Assets	(25,234)	(16,361)	—
Proceeds from Sales of Capital Assets	95	77	—
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	**(25,139)**	**(22,216)**	**—**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments	(17,766,017)	(133,035)	(1,160,976)
Proceeds from the Sales and Maturities of Investments	18,697,992	177,071	973,529
Investment Income Received	655,585	4,929	—
Borrower Rebates and Agent Fees	(42,767)	(275)	—
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	**1,544,793**	**48,690**	**(187,447)**
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	**233,550**	**(47,425)**	**(181)**
CASH AND CASH EQUIVALENTS, JULY 1	563,253	236,698	731
CASH AND CASH EQUIVALENTS, JUNE 30	**$ 796,803**	**$ 189,273**	**$ 550**

The notes to the financial statements are an integral part of this statement.

NONMAJOR PROPRIETARY FUNDS	TOTAL
$ 36,095	$ 3,711,971
—	73,121
—	3,147,974
10,282	83,080
9,008	196,250
(5,906)	(149,725)
(66,577)	(285,394)
—	(2,697,061)
—	(2,022,969)
—	(693,257)
—	(1,310,018)
(3,880)	(35,950)
(66,131)	(167,545)
(87,109)	**(149,523)**
28,288	28,288
—	(1,110,323)
28,288	**(1,082,035)**
—	(5,932)
(162)	(41,757)
26	198
(136)	**(47,491)**
(291,495)	(19,351,523)
352,960	20,201,552
7,823	668,337
—	(43,042)
69,288	**1,475,324**
10,331	**196,275**
58,801	859,483
$ 69,132	**$ 1,055,758**

(continued)

STATE OF OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS -- ENTERPRISE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(dollars in thousands)
(continued)

	MAJOR PROPRIETARY FUNDS		
	WORKERS' COMPENSATION	LOTTERY COMMISSION	UNEMPLOYMENT COMPENSATION
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	$ (571,296)	$ 1,077,497	$ 194,343
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Investment Income	—	—	—
Depreciation	8,790	8,637	—
Provision for Uncollectible Accounts	39,532	—	—
Decrease (Increase) in Assets:			
Deposit with Federal Government	—	—	(12,851)
Intergovernmental Receivable	—	—	1,384
Premiums and Assessments Receivable	789,298	—	4,340
Interfund Receivable	4,214	—	(426)
Other Receivables	(34,637)	2,942	10,895
Other Assets	5,416	5,158	1,482
Increase (Decrease) in Liabilities:			
Accounts Payable	7,117	(2,178)	—
Accrued Liabilities	—	—	—
Intergovernmental Payable	—	—	(385)
Deferred Prize Awards Payable	—	(47,082)	—
Interfund Payable	—	(314)	—
Unearned Revenue	—	(67)	—
Benefits Payable	(478,800)	—	(4,320)
Refund and Other Liabilities	(1,046,942)	(24,004)	(157)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	**$ (1,277,308)**	**$ 1,020,589**	**$ 194,305**
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in Fair Value of Investments	$ (93,020)	$ 3,914,884	$ —
Gain on Extinguishment of Debt	—	—	402,562

The notes to the financial statements are an integral part of this statement.

NONMAJOR PROPRIETARY FUNDS	TOTAL
$ (9,342)	$ 691,202
720	720
433	17,860
—	39,532
—	(12,851)
3,348	4,732
—	793,638
26	3,814
(389)	(21,189)
(2)	12,054
(1,423)	3,516
(529)	(529)
—	(385)
—	(47,082)
376	62
243	176
(80,400)	(563,520)
(170)	(1,071,273)
$ (87,109)	**$ (149,523)**
$ —	$ 3,821,864
—	402,562

STATE OF OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015
(dollars in thousands)

	PENSION TRUST	PRIVATE-PURPOSE TRUST	INVESTMENT TRUST
	STATE HIGHWAY PATROL RETIREMENT SYSTEM (as of 12/31/14)	VARIABLE COLLEGE SAVINGS PLAN	STAR OHIO
ASSETS:			
Cash Equity with Treasurer	$ —	$ —	$ —
Cash and Cash Equivalents	12,107	244,096	128,240
Investments (at fair value):			
U.S. Government and Agency Obligations	15,027	—	713,808
Common and Preferred Stock	75,753	—	—
Corporate Bonds and Notes	21,149	—	156,142
Foreign Stocks and Bonds	3,685	—	—
Commercial Paper	—	—	963,159
Repurchase Agreements	—	—	403,932
Mutual Funds	524,205	8,938,493	304,580
Real Estate	34,232	—	—
Venture Capital	—	—	—
Direct Mortgage Loans	—	—	—
Partnership and Hedge Funds	161,612	—	—
State Treasury Asset Reserve of Ohio (STAR Ohio)	—	—	—
Collateral on Lent Securities	—	—	—
Employer Contributions Receivable	1,320	—	—
Employee Contributions Receivable	979	—	—
Other Receivables	3,084	9,370	719
Other Assets	11	—	15
Capital Assets, Net	58	—	—
TOTAL ASSETS	**853,222**	**9,191,959**	**2,670,595**
LIABILITIES:			
Accounts Payable	696	—	—
Accrued Liabilities	3,879	3,194	12
Obligations Under Securities Lending	—	—	—
Intergovernmental Payable	—	—	—
Refund and Other Liabilities	36	6,079	207
TOTAL LIABILITIES	**4,611**	**9,273**	**219**
NET POSITION (DEFICITS):			
Held in Trust for:			
Employees' Pension Benefits	740,662	—	—
Employees' Postemployment Healthcare Benefits	107,949	—	—
Individuals, Organizations and Other Governments	—	9,182,686	—
Pool Participants	—	—	2,670,376
TOTAL NET POSITION (DEFICITS)	**$ 848,611**	**$ 9,182,686**	**$ 2,670,376**

The notes to the financial statements are an integral part of this statement.

AGENCY	
$	350,591
	148,171
	11,009,828
	43,531,218
	13,065,822
	45,591,052
	2,280,044
	700,000
	12,267,005
	20,146,109
	18,790,772
	8,844,067
	18,071,605
	63,128
	85,464
	—
	—
	—
	423,366
	—
	195,368,242
	—
	—
	85,464
	229,482
	195,053,296
	195,368,242
	—
	—
	—
	—
$	**—**

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STATE OF OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(dollars in thousands)

	PENSION TRUST	PRIVATE-PURPOSE TRUST	INVESTMENT TRUST
	STATE HIGHWAY PATROL RETIREMENT SYSTEM (for the fiscal year ended 12/31/14)	VARIABLE COLLEGE SAVINGS PLAN	STAR OHIO
ADDITIONS:			
Contributions from:			
Employer	$ 26,650	$ —	$ —
Employees	10,637	—	—
Plan Participants	—	2,381,217	—
Other	3,877	—	—
Total Contributions	41,164	2,381,217	—
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	38,058	(120,909)	—
Interest, Dividends and Other	19,710	386,718	3,167
Total Investment Income	57,768	265,809	3,167
Less: Investment Expense	6,128	37,694	1,950
Net Investment Income	51,640	228,115	1,217
Capital Share and Individual Account Transactions:			
Shares Sold	—	—	11,614,997
Reinvested Distributions	—	—	1,217
Shares Redeemed	—	—	(11,234,334)
Net Capital Share and Individual Account Transactions	—	—	381,880
TOTAL ADDITIONS	**92,804**	**2,609,332**	**383,097**
DEDUCTIONS:			
Pension Benefits Paid to Participants or Beneficiaries	63,330	—	—
Healthcare Benefits Paid to Participants or Beneficiaries	14,056	—	—
Refunds of Employee Contributions	2,177	—	—
Administrative Expense	1,187	—	—
Transfers to Other Retirement Systems	166	—	—
Distributions to Shareholders and Plan Participants	—	2,142,009	1,217
TOTAL DEDUCTIONS	**80,916**	**2,142,009**	**1,217**
CHANGE IN NET POSITION HELD FOR:			
Employees' Pension Benefits	11,694	—	—
Employees' Postemployment Healthcare Benefits	194	—	—
Individuals, Organizations and Other Governments	—	467,323	—
Pool Participants	—	—	381,880
TOTAL CHANGE IN NET POSITION	11,888	467,323	381,880
NET POSITION (DEFICITS), JULY 1 (as restated)	836,723	8,715,363	2,288,496
NET POSITION (DEFICITS), JUNE 30	**$ 848,611**	**$ 9,182,686**	**$ 2,670,376**

The notes to the financial statements are an integral part of this statement.

STATE OF OHIO
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2015
(dollars in thousands)

	MAJOR COMPONENT UNITS		
	OHIO FACILITIES CONSTRUCTION COMMISSION	OHIO STATE UNIVERSITY	NONMAJOR COMPONENT UNITS
ASSETS:			
CURRENT ASSETS:			
Cash Equity with Treasurer	$ 436,424	$ —	$ 12,320
Cash and Cash Equivalents	—	645,266	1,026,827
Investments	2,207	1,258,183	2,390,082
Collateral on Lent Securities	106,388	—	—
Restricted Assets:			
Cash and Cash Equivalents	—	—	136,623
Investments	—	—	185,052
Intergovernmental Receivable	—	5,981	42,577
Loans Receivable, Net	512	23,223	41,931
Receivable from Primary Government	—	2,159	31,215
Other Receivables	—	576,051	485,479
Inventories	—	39,781	92,969
Other Assets	—	48,789	80,724
TOTAL CURRENT ASSETS	545,531	2,599,433	4,525,799
NONCURRENT ASSETS:			
Restricted Assets:			
Cash and Cash Equivalents	—	375,425	282,606
Investments	—	—	2,624,599
Investments	—	3,753,490	2,354,797
Loans Receivable, Net	1,318	47,051	150,994
Other Receivables	—	72,623	141,601
Other Assets	25	—	1,767,389
Capital Assets Being Depreciated, Net	35,473	4,434,053	8,421,376
Capital Assets Not Being Depreciated	11,858	449,100	1,264,353
TOTAL NONCURRENT ASSETS	48,674	9,131,742	17,007,715
TOTAL ASSETS	594,205	11,731,175	21,533,514
DEFERRED OUTFLOWS OF RESOURCES	687	227,123	257,380
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**594,892**	**11,958,298**	**21,790,894**
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts Payable	2,799	341,495	298,959
Accrued Liabilities	109	125,383	396,196
Obligations Under Securities Lending	106,388	—	—
Intergovernmental Payable	340,943	—	2,014
Unearned Revenue	—	262,479	256,197
Refund and Other Liabilities	2,326	108,593	251,402
Bonds and Notes Payable	—	654,890	297,972
TOTAL CURRENT LIABILITIES	452,565	1,492,840	1,502,740
NONCURRENT LIABILITIES:			
Intergovernmental Payable	220,490	—	60,862
Unearned Revenue	—	—	13,438
Refund and Other Liabilities	5,780	2,582,799	4,017,869
Payable to Primary Government	—	—	19,004
Bonds and Notes Payable	—	2,197,094	7,554,167
TOTAL NONCURRENT LIABILITIES	226,270	4,779,893	11,665,340
TOTAL LIABILITIES	678,835	6,272,733	13,168,080
DEFERRED INFLOWS OF RESOURCES	3,588,363	693,256	379,579
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**4,267,198**	**6,965,989**	**13,547,659**
NET POSITION (DEFICITS):			
Net Investment in Capital Assets	47,331	2,396,802	5,164,857
Restricted for:			
Transportation	—	—	244,206
Community and Economic Development	—	—	26,106
Nonexpendable:			
Scholarships and Fellowships	—	—	296,181
Research	—	—	73,711
Endowments and Quasi-Endowments	—	1,355,560	1,211,878
Loans, Grants and Other College and University Purposes	—	—	587,765
Expendable:			
Scholarships and Fellowships	—	—	303,539
Research	—	—	157,899
Instructional Department Uses	—	—	154,621
Student and Public Services	—	—	66,306
Academic Support	—	—	155,647
Debt Service	—	—	22,338
Capital Purposes	—	(22,728)	147,861
Endowments and Quasi-Endowments	—	357,649	432,778
Current Operations	—	658,079	34,876
Loans, Grants and Other College and University Purposes	—	—	463,193
Unrestricted	(3,719,637)	246,947	(1,300,527)
TOTAL NET POSITION (DEFICITS)	**$ (3,672,306)**	**$ 4,992,309**	**$ 8,243,235**

The notes to the financial statements are an integral part of this statement.

	TOTAL
$	448,744
	1,672,093
	3,650,472
	106,388
	136,623
	185,052
	48,558
	65,666
	33,374
	1,061,530
	132,750
	129,513
	7,670,763
	658,031
	2,624,599
	6,108,287
	199,363
	214,224
	1,767,414
	12,890,902
	1,725,311
	26,188,131
	33,858,894
	485,190
	34,344,084
	643,253
	521,688
	106,388
	342,957
	518,676
	362,321
	952,862
	3,448,145
	281,352
	13,438
	6,606,448
	19,004
	9,751,261
	16,671,503
	20,119,648
	4,661,198
	24,780,846
	7,608,990
	244,206
	26,106
	296,181
	73,711
	2,567,438
	587,765
	303,539
	157,899
	154,621
	66,306
	155,647
	22,338
	125,133
	790,427
	692,955
	463,193
	(4,773,217)
$	**9,563,238**

STATE OF OHIO
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(dollars in thousands)

	MAJOR COMPONENT UNITS		
	OHIO FACILITIES CONSTRUCTION COMMISSION	OHIO STATE UNIVERSITY	NONMAJOR COMPONENT UNITS
EXPENSES:			
Primary, Secondary and Other Education	$ 386,150	$ —	$ —
Transportation	—	—	301,316
General Government	4	—	—
Community and Economic Development	—	—	833,318
Education and General:			
Instruction and Departmental Research	—	945,550	1,975,029
Separately Budgeted Research	—	455,266	361,127
Public Service	—	134,882	188,199
Academic Support	—	192,140	533,184
Student Services	—	100,229	325,516
Institutional Support	—	237,934	643,555
Operation and Maintenance of Plant	—	102,883	392,185
Scholarships and Fellowships	—	112,944	281,320
Auxiliary Enterprises	—	248,879	716,925
Hospitals	—	2,343,782	349,468
Interest on Long-Term Debt	—	70,235	324,847
Depreciation	1,390	342,196	543,267
Other	—	—	72,695
TOTAL EXPENSES	**387,544**	**5,286,920**	**7,841,951**
PROGRAM REVENUES:			
Charges for Services, Fees, Fines and Forfeitures	28,312	4,065,308	5,257,259
Operating Grants, Contributions and Restricted Investment Income	2,677	691,209	758,581
Capital Grants, Contributions and Restricted Investment Income	—	1,688	27,921
TOTAL PROGRAM REVENUES	**30,989**	**4,758,205**	**6,043,761**
NET PROGRAM (EXPENSE) REVENUE	**(356,555)**	**(528,715)**	**(1,798,190)**
GENERAL REVENUES:			
Unrestricted Investment Income	—	173,478	46,506
State Assistance	524,181	476,692	1,424,472
Other	808	246,965	467,932
TOTAL GENERAL REVENUES	**524,989**	**897,135**	**1,938,910**
ADDITIONS (DEDUCTIONS) TO ENDOWMENTS AND PERMANENT FUND PRINCIPAL	**—**	**60,792**	**39,402**
GAIN (LOSS) ON EXTINGUISHMENT OF DEBT	**—**	**—**	**(1,082)**
CHANGE IN NET POSITION	**168,434**	**429,212**	**179,040**
NET POSITION (DEFICITS), JULY 1 (as restated)	(3,840,740)	4,563,097	8,064,195
NET POSITION (DEFICITS), JUNE 30	**$ (3,672,306)**	**$ 4,992,309**	**$ 8,243,235**

The notes to the financial statements are an integral part of this statement.

	TOTAL
$	386,150
	301,316
	4
	833,318
	2,920,579
	816,393
	323,081
	725,324
	425,745
	881,489
	495,068
	394,264
	965,804
	2,693,250
	395,082
	886,853
	72,695
	13,516,415
	9,350,879
	1,452,467
	29,609
	10,832,955
	(2,683,460)
	219,984
	2,425,345
	715,705
	3,361,034
	100,194
	(1,082)
	776,686
	8,786,552
$	**9,563,238**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the State of Ohio, as of June 30, 2015, and for the year then ended, conform with generally accepted accounting principles (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are included in the GASB's *Codification of Governmental Accounting and Financial Reporting Standards*. The State's significant accounting policies are as follows.

A. Financial Reporting Entity

The State of Ohio's primary government includes all funds, elected officials, departments and agencies, bureaus, boards, commissions, and authorities that make up the State's legal entity. Component units, legally separate organizations for which the State's elected officials are financially accountable, also comprise, in part, the State's reporting entity. Additionally, other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete should be included in a government's financial reporting entity.

GASB Statement No. 14 (GASB 14), *The Financial Reporting Entity*, as amended by GASB Statement No. 39 (GASB 39), *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61 (GASB 61), *The Financial Reporting Entity: Omnibus*, defines financial accountability. The criteria for determining financial accountability include the following circumstances:

- appointment of a voting majority of an organization's governing authority and the ability of the primary government to either impose its will on that organization or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, or
- an organization is fiscally dependent on the primary government and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

1. Blended Component Units

The Buckeye Tobacco Settlement Financing Authority (BTSFA) is a legally separate organization for which the State has financial accountability through voting majority and the State has the potential to receive a financial benefit. The BTSFA provides services entirely, or almost entirely, to the State or otherwise exclusively, or almost exclusively, for the benefit of the State. Therefore, the State reports this organization's balances and transactions as though they were part of the primary government using the blending method.

2. Fiduciary Component Units

The State Highway Patrol Retirement System is a legally separate organization that provides services entirely, or almost entirely, to the State or otherwise exclusively, or almost exclusively, for the benefit of the State. Therefore, the State reports this organization's balances and transactions separately in the fiduciary fund financial statements.

3. Discretely Presented Component Units

The component units' columns in the basic financial statements include the financial data of another 28 organizations. The separate discrete column labeled, "Component Units," emphasizes these organizations' separateness from the State's primary government. Officials of the primary government appoint a voting majority of each organization's governing board.

The primary government has the ability to impose its will on the following organizations by modifying or approving their respective budgets, through policy modification authority, or by modifying or approving rate or fee changes.

Ohio Facilities Construction Commission
Ohio Air Quality Development Authority
Ohio Capital Fund
JobsOhio

The Ohio Turnpike and Infrastructure Commission has the potential to provide a financial benefit to the primary government.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following organizations impose or potentially impose financial burdens on the primary government.

Ohio State University
University of Cincinnati
Ohio University
Miami University
University of Akron
Bowling Green State University
Kent State University
University of Toledo
Cleveland State University
Youngstown State University
Wright State University
Shawnee State University
Northeast Ohio Medical University
Central State University
Terra State Community College
Columbus State Community College
Clark State Community College
Edison State Community College
Southern State Community College
Washington State Community College
Cincinnati State Community College
Northwest State Community College
Owens State Community College

The Ohio Facilities Construction Commission, a governmental component unit, does not issue separately audited financial reports.

Information on how to obtain financial statements for the State's component units that do issue their own separately audited financial reports is available from the Ohio Office of Budget and Management.

4. Joint Ventures and Related Organizations
As discussed in more detail in NOTE 19, the State participates in several joint ventures and has related organizations. The State does not include the financial activities of these organizations in its financial statements, in conformity with GASB 14, as amended by GASB 39 and GASB 61.

B. Basis of Presentation
Government-wide Statements — The Statement of Net Position and the Statement of Activities display information about the primary government (the State) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities.

Fiduciary funds of the primary government and component units that are fiduciary in nature are reported only in the statements of fiduciary net position and changes in fiduciary net position.

For the government-wide financial statements, eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the State. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole, or in part, by fees charged to external parties for goods or services.

The Statement of Net Position reports all financial and capital resources using the economic resources measurement focus and the accrual basis of accounting. The State presents the statement in a format that displays *assets and deferred outflows of resources less liabilities and deferred inflows of resources equal net position*. The *net position* section is displayed in three components:

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- The *Net Investment in Capital Assets* component consists of 1) capital assets, net of accumulated depreciation, and deferred outflows of resources that are attributable to the acquisition, construction, or improvements of those assets or related debt less 2) outstanding balances of any bonds or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt. The portion of debt and deferred inflows of resources attributable to significant unspent related debt proceeds at year-end is not included in the calculation of this net position component.

- The *Restricted Net Position* component represents the net position with constraints placed on its use that are either 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation. For component units with permanent endowments, restricted net position is displayed in two additional components — nonexpendable and expendable. Nonexpendable net position is for those endowments that are required to be retained in perpetuity.

- The *Unrestricted Net Position* component consists of the net position that does not meet the definition of the preceding two components.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the State's governmental activities and for the different business-type activities of the State. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Centralized expenses have been included in direct expenses. Indirect expenses have not been allocated to the programs or functions reported in the Statement of Activities.

Program revenues include licenses, permits and other fees, fines, forfeitures, charges paid by the recipients of goods or services offered by the programs, and grants, contributions, and investment earnings that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all tax, tobacco settlement, escheat property revenues, unrestricted investment income, and state assistance, are presented as general revenues.

Fund Financial Statements — The fund financial statements provide information about the State's funds, including the fiduciary funds and blended component units. Separate statements for each fund category — governmental, proprietary, and fiduciary — are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds.

Governmental fund types include the General, special revenue, debt service, and capital projects funds. The proprietary funds consist of enterprise funds. Fiduciary fund types include pension trust, private-purpose trust, investment trust, and agency funds.

Operating revenues for the State's proprietary funds mainly consist of charges for sales and services and premium and assessment income since these revenues result from exchange transactions associated with the principal activity of the respective enterprise fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Revenue from the federal government for the underfunded regular and extended unemployment benefits is also reported as operating revenues for the Unemployment Compensation Fund, since this source provides significant funding for the payment of unemployment benefits – the fund's principal activity. Investment income for the Tuition Trust Authority Fund is also reported as operating revenue, since this source provides significant funding for the payment of tuition benefits. Nonoperating revenues for the proprietary funds result from nonexchange transactions or ancillary activities; nonoperating revenues are primarily comprised of investment income and federal operating grants.

Proprietary fund operating expenses principally consist of expenses for the cost of sales and services, administration, bonuses and commissions, prizes, benefits and claims, and depreciation. Nonoperating expenses principally consist of interest expense on debt and the amortization of discount on lottery prize liabilities, which is reported under "Other" nonoperating expenses.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The State reports the following major governmental funds:

General — The General Fund, the State's primary operating fund, accounts for resources of the general government, except those required to be accounted for in another fund.

Job, Family and Other Human Services Special Revenue Fund — This fund accounts for public assistance programs primarily administered by the Ohio Department of Job and Family Services, which provides financial assistance, services, and job training to those individuals and families who do not have sufficient resources to meet their basic needs. The primary sources of revenue for this fund are licenses, permits and fees and the federal government.

Buckeye Tobacco Settlement Financing Authority Revenue Bonds Debt Service Fund — This fund accounts for the payment of principal and interest on the revenue bonds issued to fund long-lived capital projects at State-supported institutions of higher education and to pay the State's share of the cost of rebuilding elementary and secondary school facilities across the State.

The State reports the following major proprietary funds:

Workers' Compensation Enterprise Fund — This fund accounts for the operations of the Ohio Bureau of Workers' Compensation and the Industrial Commission of Ohio, which provide workers' compensation insurance services.

Lottery Commission Enterprise Fund — This fund accounts for the State's lottery operations.

Unemployment Compensation Enterprise Fund — This fund, which is administered by the Ohio Department of Job and Family Services, accounts for unemployment compensation benefit claims.

The State reports the following fiduciary fund types:

Pension Trust Fund — The State Highway Patrol Retirement System Pension Trust Fund accounts for resources that are required to be held in trust for members and beneficiaries of the defined benefit plan. The financial statements for the State Highway Patrol Retirement System Pension Trust Fund are presented for the fiscal year ended December 31, 2014.

Private-Purpose Trust Fund — The Private-Purpose Trust Fund accounts for trust arrangements under which principal and income benefit participants in the Variable College Savings Plan, which is administered by the Tuition Trust Authority.

Investment Trust Fund — The STAR Ohio Investment Trust Fund accounts for the state-sponsored external investment pool, which the Treasurer of State administers for local government participants.

Agency Funds — These funds account for the receipt, temporary investment, and remittance of fiduciary resources held on behalf of individuals, private organizations, and other governments.

The State reports the following major discretely presented component unit funds:

The *Ohio Facilities Construction Commission Fund* primarily accounts for grants that provide assistance to local entities for the construction of school buildings. The fund also provides construction services for arts and sports facilities.

The *Ohio State University Fund* is a business-type activity that uses proprietary fund reporting. It reports the university's operations, including the University's health system, supercomputer center, agricultural research and development center, and other legally separate entities subject to the control of the university's board.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting

Government-wide, Enterprise Fund, and Fiduciary Fund Financial Statements — The State reports the government-wide financial statements and the proprietary fund and fiduciary fund financial statements using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

The State recognizes revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions when the exchange takes place. When resources are received in advance of the exchange, the State reports the unearned revenue as a liability.

Nonexchange transactions, in which the State gives (or receives) value without directly receiving (or giving) equal value in exchange, include derived taxes, grants, and entitlements. The revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions* and GASB 65, *Items Previously Reported as Assets and Liabilities.*

Under the accrual basis, the State recognizes assets from derived tax revenues (e.g., personal income, sales, and motor vehicle fuel taxes) in the fiscal year when the exchange transaction on which the tax is imposed occurs or when the resources are received, whichever occurs first. The State recognizes derived tax revenues, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred.

Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Resources transmitted in advance of the State meeting eligibility requirements are reported as unearned revenue.

Investment income includes the net increase (decrease) in the fair value of investments.

Governmental Fund Financial Statements — The State reports governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The State considers revenues reported in the governmental funds to be available when the revenues are collectible within 60 days after year-end or soon enough thereafter to be used to pay liabilities of the current period.

Significant revenue sources susceptible to accrual under the modified accrual basis of accounting include:

- Personal income taxes
- Sales and use taxes
- Motor vehicle fuel taxes
- Charges for goods and services
- Federal government grants
- Tobacco settlement
- Investment income

The State recognizes assets from derived tax revenues (e.g., personal income, sales, and motor vehicle fuel taxes) in the fiscal year when the exchange transaction on which the tax is imposed occurs or when the resources are received, whichever occurs first. The State recognizes derived tax revenues, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred and the revenues are collected during the availability period.

For revenue arising from exchange transactions (e.g., charges for goods and services), the State recognizes deferred inflows of resources when resources earned from the exchange are not received during the availability period and reports unearned revenue when resources are received in advance of exchange.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The governmental funds recognize federal government revenue in the period when all applicable eligibility requirements have been met and resources are available. Resources transmitted in advance of the State meeting eligibility requirements are reported as unearned revenue. The State recognizes deferred inflows of resources for reimbursement-type grant programs if the reimbursement is not received during the availability period.

Licenses, permits, fees, and certain other miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. The "Other" revenue account is comprised of refunds, reimbursements, recoveries, and other miscellaneous income.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, capital lease obligations, compensated absences, and claims and judgments. The governmental funds recognize expenditures for these liabilities to the extent they have matured or will be liquidated with expendable, available financial resources.

Capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds from long-term debt issuances, including refunding bond proceeds, premiums, and acquisitions under capital leases are reported as other financing sources while discounts and payments to refunded bond escrow agents are reported as other financing uses.

D. Budgetary Process

As the Ohio Revised Code requires, the Governor submits biennial operating and capital budgets to the General Assembly.

The General Assembly approves operating appropriations in annual amounts and capital appropriations in two-year amounts.

The General Assembly enacts the budget through passage of specific departmental line-item appropriations, the legal level of budgetary control. Line-item appropriations are established within funds by program or major object of expenditure. The Governor may veto any item in an appropriation bill. Such vetoes are subject to legislative override.

The State's Controlling Board can transfer or increase a line-item appropriation within the limitations set under Sections 127.14 and 131.35, Ohio Revised Code.

All governmental funds are budgeted except the following activities within the debt service and capital projects fund types:

Improvements General Obligations
Highway Improvements General Obligations
Development General Obligations
Highway General Obligations
Public Improvements General Obligations
Vietnam Conflict Compensation General Obligations
Infrastructure Bank Revenue Bonds
Buckeye Tobacco Settlement Financing Authority Revenue Bonds
Lease Rental Special Obligations
MARCS Certificates of Participation
OAKS Certificates of Participation
STARS Certificates of Participation
TMS Certificates of Participation
EDCS Certificates of Participation
MARCS Project
OAKS Project
STARS Project
TMS Project
EDCS Project

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For budgeted funds, the State's Ohio Administrative Knowledge System (OAKS) controls expenditures by appropriation line-item, so at no time can expenditures exceed appropriations and financial-related legal compliance is assured. The State uses the modified cash basis of accounting for budgetary purposes.

The *Detailed Appropriation Summary by Fund Report* is available for public inspection at the Ohio Office of Budget and Management and on its web site at www.obm.ohio.gov/StateAccounting/financialreporting. This Summary provides a more comprehensive accounting of activity on the budgetary basis at the legal level of budgetary control.

In the *Statement of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual (Non-GAAP Budgetary Basis) — General Fund and Major Special Revenue Fund*, the State reports estimated revenues and other financing sources and uses for the General Fund only; the State does not estimate revenue and other financing sources and uses for the major special revenue fund or its budgeted nonmajor governmental funds.

Additionally, in the non-GAAP budgetary basis financial statement and schedules, "actual" budgetary expenditures include cash disbursements and outstanding encumbrances, as of June 30.

The State Highway Patrol Retirement System Pension Trust Fund, the Variable College Savings Plan Private-Purpose Trust Fund, and the STAR Ohio Investment Trust Fund are not legally required to adopt budgets. The State is not legally required to report budgetary data and comparisons for the budgeted proprietary funds. Also, the State does not present budgetary data for its discretely presented component units.

Because the State budgets on a modified cash basis of accounting, which differs from GAAP, NOTE 3 presents a reconciliation of the differences between the GAAP basis and non-GAAP budgetary basis of reporting.

E. Cash Equity with Treasurer and Cash and Cash Equivalents

Cash equity with Treasurer consists of pooled demand deposits and investments carried at fair value. The State's cash pool under the Treasurer of State's administration has the general characteristics of a demand deposit account whereby additional cash can be deposited at any time and can also be effectively withdrawn at any time, within certain budgetary limitations, without prior notice or penalty.

Cash and cash equivalents include amounts on deposit with financial institutions and cash on hand. The cash and cash equivalents account also includes investments with original maturities of three months or less from the date of acquisition for the Workers' Compensation Enterprise Fund.

Cash equity with Treasurer and cash and cash equivalents, including the portions reported under "Restricted Assets," are considered to be cash equivalents, as defined in GASB Statement No. 9, for purposes of the Statement of Cash Flows.

Additional disclosures on the State's deposits can be found in NOTE 4.

F. Investments

Investments include long-term investments that may be restricted by law or other legal instruments. With the exception of certain money market investments, which have remaining maturities at the time of purchase of one year or less and are carried at amortized cost, and holdings in the State Treasury Asset Reserve of Ohio (STAR Ohio) investment pool, the State reports investments at fair value based on quoted market prices. STAR Ohio operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940; investments in the 2a7-like pool are reported at amortized cost (which approximates fair value).

The colleges and universities report investments received as gifts at their fair value on the donation date.

The primary government does not manage or provide investment services for investments reported in the Agency Fund that are owned by other, legally separate entities that are not part of the State of Ohio's reporting entity.

Additional disclosures on the State's investments can be found in NOTE 4.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Taxes Receivable
Taxes receivable represent amounts due to the State at June 30, which will be collected sometime in the future. In the government-wide financial statements, revenue has been recognized for the receivable. In the fund financial statements only the portion of the receivable collected during the 60-day availability period has been recognized as revenue while the remainder is recorded as deferred inflows of resources. Additional disclosures on taxes receivable can be found in NOTE 5.

H. Intergovernmental Receivable
The intergovernmental receivable balance is primarily comprised of amounts due from the federal government for reimbursement-type grant programs. Advances of resources to recipient local governments before eligibility requirements have been met under government-mandated and voluntary nonexchange programs and amounts due for exchanges of State goods and services with other governments are also reported as intergovernmental receivables. Additional details on the intergovernmental receivable balance can be found in NOTE 5.

I. Inventories
Inventories are valued at cost. Principal inventory cost methods applied include first-in/first-out, average cost, moving-average, and retail.

In the governmental fund financial statements, the State recognizes the costs of material inventories as expenditures when purchased. Inventories do not reflect current appropriable resources in the governmental fund financial statements. Therefore, the State reports an equivalent portion of fund balance as nonspendable.

J. Restricted Assets
The primary government reports assets restricted for the payment of lottery prize awards payable, revenue bonds, and tuition benefits in the enterprise funds.

Generally, the component unit funds hold assets in trust under bond covenants or other financing arrangements that legally restrict the use of these assets.

K. Capital Assets
Primary Government
The State reports capital assets purchased with governmental fund resources in the government-wide financial statements at historical cost, or at estimated historical cost when no historical records exist. Donated capital assets are valued at their estimated fair value on the donation date. The State does not report capital assets purchased with governmental fund resources in the fund financial statements. Governmental capital assets are reported net of accumulated depreciation, except for land, construction-in-progress, transportation infrastructure assets, and individual works of art and historical treasures, including historical land improvements and buildings. Transportation infrastructure assets are reported using the “modified approach,” as discussed below, and therefore are not depreciable. Individual works of art and historical treasures, including historical land improvements and buildings, are considered to be inexhaustible, and therefore, are not depreciable.

The State reports capital assets purchased with enterprise fund resources and fiduciary fund resources in the government-wide and the fund financial statements at historical cost, or at estimated historical cost when no historical records exist. Donated capital assets are valued at their estimated fair value on the donation date. Capital assets, except for land and construction-in-progress, are reported net of accumulated depreciation.

The State has elected to capitalize its transportation infrastructure assets, defined as bridges, general highways, and priority highways, using the modified approach. Under this approach, the infrastructure assets are not depreciated because the State has committed itself to maintaining the assets at a condition level that the Ohio Department of Transportation (ODOT) has determined to be adequate to meet the needs of the citizenry. Costs of maintaining the bridge and highway infrastructure are not capitalized. New construction that represents additional lane-miles of highway or additional square-footage of bridge deck area and improvements that add to the capacity or efficiency of an asset are capitalized.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ODOT maintains an inventory of its transportation infrastructure capital assets, and conducts annual condition assessments to establish that the condition level that the State has committed itself to maintaining is, in fact, being achieved. ODOT also estimates the amount that must be spent annually to maintain the assets at the desired condition level.

For its other types of capital assets, the State does not capitalize the costs of normal maintenance and repairs that do not add to an asset's value or materially extend its useful life. Costs of major improvements are capitalized. Interest costs associated with the acquisition of capital assets purchased using governmental fund resources are not capitalized, while those associated with acquisitions purchased using enterprise and fiduciary fund resources are capitalized.

The State does not capitalize collections of works of art or historical treasures that can be found at the Governor's residence, Malabar Farm (i.e., Louis Bromfield estate), which the Ohio Department of Natural Resources operates, the Ohio Arts Council, the State Library of Ohio, and the Capitol Square Review and Advisory Board for the following reasons:

- The collection is held for public exhibition, education, or research in furtherance of public service rather than for financial gain.
- The collection is protected, kept unencumbered, cared for, and preserved.
- The collection is subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

The State has established the following capitalization thresholds:

Buildings	$15,000
Building Improvements	100,000
Land, including easements	All, regardless of cost
Land Improvements	15,000
Machinery and Equipment	15,000
Vehicles	15,000
Infrastructure:	
Highway Network	500,000
Bridge Network	500,000
Park and Natural Resources Network	All, regardless of cost

For depreciable assets, the State applies the straight-line method over the following estimated useful lives:

Buildings	20-45 Years
Land Improvements	10-30 Years
Machinery and Equipment	3-15 Years
Vehicles	7-15 Years
Park and Natural Resources Infrastructure Network	10-50 Years

NOTE 8 contains additional disclosures about the primary government's capital assets.

Discretely Presented Component Unit Funds
The discretely presented component unit funds value all capital assets at cost and donated capital assets at estimated fair value on the donation date. They apply the straight-line method to depreciable capital assets. Additional disclosures about the discretely presented component unit funds' capital assets can be found in NOTE 8.

L. Medicaid Claims Payable
The Medicaid claims liability, which has an average maturity of one year or less, includes an estimate for incurred, but not reported claims.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Noncurrent Liabilities

Government-wide Financial Statements — Liabilities whose average maturities are greater than one year are reported in two components — the amount due in one year and the amount due in more than one year. Additional disclosures as to the specific liabilities included in noncurrent liabilities can be found in NOTES 10 through 15.

Fund Financial Statements — Governmental funds recognize noncurrent liabilities to the extent they have matured or will be liquidated with expendable, available financial resources.

The proprietary funds and discretely presented component unit funds report noncurrent liabilities expected to be financed from their operations.

N. Compensated Absences

Employees of the State's primary government earn vacation leave, sick leave, and personal leave at various rates within limits specified under collective bargaining agreements or under law. Generally, employees accrue vacation leave at a rate of 3.1 hours every two weeks for the first four years of employment, up to a maximum rate of 9.2 hours every two weeks after 24 years of employment. Employees may accrue a maximum of three years vacation leave credit. At termination or retirement, the State pays employees, at their full rate, 100 percent of unused vacation leave, personal leave, and, in certain cases, compensatory time and 50 to 55 percent of unused sick leave.

Such leave is liquidated in cash, under certain restrictions, either annually in December, or at the time of termination from employment.

For the governmental funds, the State reports the matured compensated absences liability as a fund liability (included in the "Accrued Liabilities" account as a component of wages payable) to the extent it will be liquidated with expendable, available financial resources. For the primary government's proprietary funds and its discretely presented component unit funds, the State reports the compensated absences liability as a fund liability included in the "Refund and Other Liabilities" account.

The State's primary government accrues vacation, compensatory time, and personal leaves as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as at termination or retirement.

Sick leave time that has been earned, but is unavailable for use as paid time off or as some other form of compensation because an employee has not met a minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

The State's primary government accrues sick leave using the vesting method. Under this method, the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments, as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

Included in the compensated absences liability is an amount accrued for salary-related payments directly and incrementally associated with the payment of compensated absences upon termination. Such payments include the primary government's share of Medicare taxes.

For the colleges and universities, vacation and sick leave policies vary by institution.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net positon have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balance Classification; Budget Stabilization Fund; Net Position/Fund Balance Spending Order
Fund balance reported in the governmental fund financial statements is classified as follows:

Nonspendable
The *nonspendable* fund balance classification includes amounts that cannot be spent because they are either 1) not in spendable form, such as prepaids and inventories or 2) legally or contractually required to be maintained intact, such as the corpus of a permanent fund.

Restricted
Fund balance amounts should be *restricted* when constraints placed on the use of resources are either 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or 2) imposed by law through constitutional provisions or enabling legislation.

Unrestricted
Committed
Amounts constrained for specific purposes by formal action (i.e., legislation) of the government's highest level of decision-making authority (i.e., General Assembly) should be reported as *committed* fund balance. Committed amounts cannot be used for other purposes unless the General Assembly passes legislation to remove the constraints.

Assigned
Amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed, should be reported as *assigned* fund balance, except for stabilization arrangements. The intent should be conveyed by the governing body itself or through delegation to a body or official authorized on behalf of the government to assign amounts to be used for specific purposes. The Controlling Board, created under Chapter 127, Ohio Revised Code, is an example of a body delegated by the government to make assignments. The Director of the Office of Budget and Management is an example of an authorized official granted assignment authority through legislative language, including enacted budget bills. While both the committed and assigned fund balance classifications include amounts constrained for specific use by actions taken by the government itself, the authority for making an assignment is not required to be the government's highest level of decision-making authority. Amounts should not be reported as assigned if the assignment would result in a deficit in unassigned fund balance.

Unassigned
Unassigned fund balance is the residual classification for the General Fund. This classification represents spendable fund balance that has not been otherwise restricted, committed or assigned to specific purposes within the General Fund. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance due to overspending amounts that are restricted or committed.

Fund balance in the State's Budget Stabilization Fund, as discussed in Sections 131.43 and 131.44, Ohio Revised Code, does not meet the criteria to be classified as restricted or committed and is, therefore, reported as unassigned in the General Fund.

For reporting purposes, restricted amounts are generally considered to have been spent first, followed by unrestricted amounts. Within the unrestricted fund balance amounts, the spending order is generally committed, followed by assigned, and then unassigned when expenditures are incurred for purposes for which amounts in any unrestricted fund balance classification could be used.

Q. Risk Management
The State's primary government is self-insured for claims under its traditional healthcare plan and for vehicle liability while it has placed employee and public official fidelity bonding with a private insurer. The State self-funds tort liability although several agencies also choose to participate in private insurance programs. All State owned buildings are covered under a catastrophic property policy that covers both real and personal property losses. All other liability risk to State property is self-funded on a pay-as-you-go basis.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

While not the predominant participants, the State's primary government and its discretely presented component units participate in a public entity risk pool, which is accounted for in the Workers' Compensation Enterprise Fund, for the financing of their respective workers' compensation liabilities. These liabilities are reported in the governmental and proprietary funds under the "Interfund Payable" account. (See NOTE 7).

R. Interfund Balances and Activities
Interfund transactions and balances have been eliminated from the government-wide financial statements to the extent that they occur within either the governmental or business-type activities. Balances between governmental and business-type activities are presented as internal balances and are eliminated in the total column. Revenues and expenses associated with reciprocal transactions within governmental or within business-type activities have not been eliminated.

In the fund financial statements, interfund activity within and among the three fund categories (governmental, proprietary, and fiduciary) is classified and reported as follows:

Reciprocal interfund activity is the internal counterpart to exchange and exchange-like transactions. This activity includes:

Interfund Loans — Amounts provided with a requirement for repayment, which are reported as interfund receivables in lender funds and interfund payables in borrower funds. When interfund loan repayments are not expected within a reasonable time, the interfund balances are reduced and the amount that is not expected to be repaid is reported as a transfer from the fund that made the loan to the fund that received the loan.

Interfund Services Provided and Used — Sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and as expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statements of net position.

Nonreciprocal interfund activity is the internal counterpart to nonexchange transactions. This activity includes:

Interfund Transfers – Flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Interfund Reimbursements — Repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are not displayed in the financial statements.

Details on interfund balances and transfers are disclosed in NOTE 7.

S. Intra-Entity Balances and Activities
Balances due between the primary government and its discretely presented component units are reported as receivables from component units or primary government and payables to component units or primary government. For the discretely presented component units, the nature and amount of significant transactions with the primary government are disclosed in NOTE 7.

Resource flows between the primary government and its discretely presented component units are reported like external transactions (i.e., revenues and expenses).

T. Derivatives Instruments
The State's derivative instruments include investment derivatives and interest rate swaps. Interest rate swaps that are ineffective hedging derivatives are reported within the investment derivatives classification.

The State reports its derivative instruments at fair value in the Statement of Net Position. Changes in fair value for investment derivatives are recorded as investment income in the Statement of Activities. Changes in fair value for effective hedging derivatives are reported as deferred outflows/inflows of resources in the Statement of Net Position and disclosed in NOTE 18.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additional disclosures on the State's investment derivatives and its hedging derivatives can be found in NOTE 4 and NOTE 10, respectively.

U. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

NOTE 2 RESTATEMENTS, CHANGES IN ACCOUNTING PRINCIPLES, EXTINGUISHMENTS OF DEBT AND SPECIAL ITEMS

A. Restatements

Restatements of net position, as of June 30, 2015, for the primary government and discretely presented component units are presented in the following table (dollars in thousands).

Government-Wide Financial Statements:

	Governmental Activities	Business-type Activities	Total Primary Government	Total Discretely Presented Component Units
Net Position, as of June 30, 2014, As Previously Reported	$ 21,254,955	$ 8,940,722	$ 30,195,677	$ 14,702,657
Implementation of a New Accounting Standard:				
GASB Statement No. 68 and 71	(2,431,482)	(178,301)	(2,609,783)	(5,912,889)
Correction of an Error:				
Youngstown State University Component Unit	-	-	-	(3,216)
Total Changes in Net Position	(2,431,482)	(178,301)	(2,609,783)	(5,916,105)
Net Position, July 1, 2014, As Restated	$ 18,823,473	$ 8,762,421	$ 27,585,894	$ 8,786,552

Governmental Fund and Fiduciary Fund Financial Statements:

	General Fund	Pension Trust Fund
Fund Balance/Net Position, as of June 30, 2014, As Previously Reported	$ 5,928,956	$ 813,952
Implementation of a New Accounting Standard:		
GASB Statement No. 67	-	22,771
Correction of an Error:		
Unclaimed Funds	(233,445)	-
Total Changes in Fund Balance/Net Position	(233,445)	22,771
Fund Balance/Net Position, July 1, 2014, As Restated	$ 5,695,511	$ 836,723

B. Implementation of Recently Issued Accounting Pronouncements

For the fiscal year ended June 30, 2015, the State implemented the provisions of

- Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans.*
- Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27).*
- Governmental Accounting Standards Board (GASB) Statement No. 69, *Government Combinations and Disposals of Government Operations.*
- Governmental Accounting Standards Board (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68).*

NOTE 2 RESTATEMENTS, CHANGES IN ACCOUNTING PRINCIPLES, EXTINGUISHMENTS OF DEBT AND SPECIAL ITEMS (Continued)

GASB Statement No. 67 amends GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans,* by establishing financial reporting standards for state and local government defined benefit pension plans and defined contribution pension plans that are administered through trusts or equivalent arrangements. Additionally, for defined benefit pension plans, this Statement establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan. The State's implementation of GASB 67 is based on the year-end of the State Highway Patrol Retirement System. Please see NOTE 2A. for restatements resulting from the implementation of this standard and NOTE 9 for more information.

GASB Statement No. 68 amends GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers,* and establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project and discount benefit payments. Please see NOTE 2A. for restatements resulting from the implementation of this standard and NOTE 9 for more information.

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The implementation of this standard did not result in any change to the State's financial statements or note disclosures.

GASB Statement No. 71 eliminates the source of a potential significant understatement of restated beginning net position and expense in the accrual-basis financial statements of employer and nonemployer contributing entities in the first year of implementation of GASB 68. Please see NOTE 2A. for restatements resulting from the implementation of this standard and NOTE 9 for more information.

C. Recently Issued GASB Pronouncements

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application.* The provisions of GASB 72 are effective for financial statements for periods beginning after June 15, 2015. The requirements of this Statement enhance comparability by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also enhances fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurement on a government's financial position.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.* The provisions of GASB 73 are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.* The provisions of GASB 74 are effective for financial statements for fiscal years beginning after June 15, 2016. The requirements of this Statement improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. The new information will enhance the decision-usefulness of the financial reports of those OPEB plans, their value for assessing accountability, and their transparency by providing information about measures of net OPEB liabilities and explanations of how and why those liabilities changed from year to year.

NOTE 2 RESTATEMENTS, CHANGES IN ACCOUNTING PRINCIPLES, EXTINGUISHMENTS OF DEBT AND SPECIAL ITEMS (Continued)

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The provisions of GASB 75 are effective for fiscal years beginning after June 15, 2017. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information. The consistency, comparability, and transparency of the information reported by employers and governmental nonemployer contributing entities about OPEB transactions will also be improved by the requirements of this Statement.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* The provisions of GASB 76 are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. This Statement supersedes GASB 55. The requirements in this Statement improve financial reporting by 1) raising the category of GASB Implementation Guides in the GAAP hierarchy; 2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and 3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures.* The provisions of GASB 77 are effective for financial statements for periods beginning after December 15, 2015. The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand 1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and 2) the impact those abatements have on a government's financial position and economic condition.

Management is assessing the impact that the new GASB pronouncements will have on the State's financial statements.

D. Extinguishments of Debt – Major Funds

Extinguishments of debt reflected in the State's basic financial statements, as of June 30, 2015 (dollars in thousands) are as follows:

Gain on Extinguishment of Debt

The $402.6 million gain on extinguishment of debt reported in the business-type activities relates to Unemployment Compensation. To assist the State in the repayment of outstanding advances owed to the federal government, the federal government implemented a reduction to the Federal Unemployment Tax Act (FUTA) credit it gives to employers. The additional tax paid by the employers and collected directly by the federal government as a result of the FUTA credit reduction is offset against the State's outstanding advance balance.

NOTE 3 GAAP versus NON-GAAP BUDGETARY BASIS

In the accompanying *Statement of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual (Non-GAAP Budgetary Basis) — General Fund and Major Special Revenue Funds*, actual revenues, transfers-in, expenditures, encumbrances, and transfers-out reported on the non-GAAP budgetary basis do not equal those reported on the GAAP basis in the *Statement of Revenues, Expenditures and Changes in Fund Balances — Major Governmental Funds*.

This inequality results primarily from basis differences in the recognition of accruals, deferred resources, interfund transactions, and loan transactions, and from timing differences in the budgetary basis of accounting for encumbrances. On the non-GAAP budgetary basis, the State recognizes encumbrances as expenditures in the year encumbered, while on the modified accrual basis, the State recognizes expenditures when goods or services are received regardless of the year encumbered.

Original budget amounts in the accompanying budgetary statements have been taken from the first complete appropriated budget for fiscal year 2015. An appropriated budget is the expenditure authority created by appropriation bills that are signed into law and related estimated revenues. The original budget also includes actual appropriation amounts automatically carried over from prior years by law, including the automatic rolling forward of appropriations to cover prior-year encumbrances.

Final Budget amounts represent original appropriations modified by authorized transfers, supplemental and amended appropriations, and other legally authorized legislative and executive changes applicable to fiscal year 2015, whenever signed into law or otherwise legally authorized.

For fiscal year 2015, no excess expenditures over appropriations were reported in individual funds.

A reconciliation of the fund balances reported under the GAAP basis and budgetary basis for the General Fund and the major special revenue fund is presented on the following page.

NOTE 3 GAAP versus NON-GAAP BUDGETARY BASIS (Continued)

Primary Government
Reconciliation of GAAP Basis Fund Balances to Non-GAAP Budgetary Basis Fund Balances
For the General Fund and Major Special Revenue Fund
As of June 30, 2015
(dollars in thousands)

	General	Job, Family & Other Human Services
Total Fund Balances — GAAP Basis	$ 5,003,799	$ 304,274
Less: Nonspendable Fund Balances	49,655	-
Less: Restricted Fund Balances	1,153,828	257,096
Less: Committed Fund Balances	803,551	47,178
Less: Assigned Fund Balances	2,585,575	-
Unassigned Fund Balances — GAAP Basis	411,190	-
BASIS DIFFERENCES		
Revenue Accruals/Adjustments:		
Cash Equity with Treasurer	(118,405)	(12,759)
Taxes Receivable	(1,484,355)	-
Intergovernmental Receivable	(1,133,497)	(181,139)
Loans Receivable, Net	(996,628)	-
Receivables from Component Units	(487)	-
Other Receivables	(247,548)	(465,023)
Unearned Revenue	-	370,798
Total Revenue Accruals/Adjustments	(3,980,920)	(288,123)
Expenditure Accruals/Adjustments:		
Cash Equity with Treasurer	32,215	2,333
Inventories	(21,870)	-
Other Assets	(21)	-
Accounts Payable	277,823	131,247
Accrued Liabilities	97,815	15,412
Medicaid Claims Payable	1,658,431	-
Intergovernmental Payable	802,234	103,054
Interfund Payable	478,590	13,963
Payable to Component Units	25,708	707
Refund and Other Liabilities	764,507	1,744
Liability for Escheat Property	236,773	-
Total Expenditure Accruals/Adjustments	4,352,205	268,460
Deferred Inflows of Resources	1,641,519	62,087
Other Adjustments:		
Fund Balance Reclassifications:		
From Unassigned (Non-GAAP Budgetary Basis) to:		
Nonspendable	49,655	-
Restricted	1,153,828	257,096
Committed	803,551	47,178
Assigned	2,585,575	-
Cash and Investments Held Outside State Treasury	(1,234,784)	(3,093)
Total Other Adjustments	3,357,825	301,181
Total Basis Differences	5,370,629	343,605
TIMING DIFFERENCES		
Encumbrances	(796,642)	(1,151,167)
Budgetary Fund Balances (Deficits) — Non-GAAP Basis	$ 4,985,177	$ (807,562)

NOTE 4 DEPOSITS AND INVESTMENTS

A. Legal Requirements

The deposit and investment policies of the Treasurer of State and the State Board of Deposit are governed by the Uniform Depository Act, Chapter 135, Ohio Revised Code, which requires state moneys to be maintained in one of the following three classifications:

Active Deposits – Moneys required to be kept in cash or near cash status to meet current demands. Such moneys must be maintained either as cash in the State's treasury or in any of the following: a commercial account that is payable or about to be withdrawn, in whole or in part, on demand, a negotiable order of withdrawal account, a money market deposit account or a designated warrant clearance account.

Inactive Deposits – Those moneys not required for use within the current two year period of designation of depositories. Inactive moneys may be deposited or invested only in certificates of deposit maturing not later than the end of the current period of designation of depositories.

Interim Deposits – Those moneys not required for immediate use, but needed before the end of the current period of designation of depositories. Interim deposits may be deposited or invested in the following instruments:

- US Treasury bills, notes, bonds or other obligations or securities issued by or guaranteed as to principal and interest by the United States;
- Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality;
- Bonds and other direct obligations of the State of Ohio issued by the Treasurer of State and of the Ohio Public Facilities Commission, the Ohio Housing Finance Agency, the Ohio Water Development Authority, and the Ohio Turnpike Infrastructure Commission;
- Commercial paper issued by any corporation that is incorporated under the laws of the United States or a state;
- Written repurchase agreements with any eligible Ohio financial institution that is a member of the Federal Reserve System or Federal Home Loan Bank, or any recognized U.S. government securities dealer in the securities enumerated above;
- No-load money market mutual funds consisting exclusively of securities and repurchase agreements enumerated above;
- Securities lending agreements with any eligible financial institution that is a member of the Federal Reserve System or Federal Home Loan Bank, or any recognized U.S. government securities dealer;
- Bankers' acceptances maturing in 270 days or less;
- Certificates of deposit in the eligible institutions applying for interim moneys, including linked deposits, as authorized under Sections 135.61 to 135.67, Ohio Revised Code, agricultural linked deposits, as authorized under Sections 135.71 to 135.76, Ohio Revised Code, and housing linked deposits, as authorized under Sections 135.81 to 135.87, Ohio Revised Code;
- The Treasurer of State's investment pool, as authorized under section 135.45, Ohio Revised Code;
- The Treasurer of State's STAR Plus program;
- Debt interest, other than commercial paper as enumerated above, of corporations incorporated under the laws of the United States or a state, or foreign nations diplomatically recognized by the United States, or any instrument based on, derived from, or related to such interests that are denominated and payable in U.S. funds;

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

- Bonds, notes, and other obligations of any state or political subdivision thereof;
- Obligations of a board of education, as authorized under Section 133.10, Ohio Revised Code; and
- Obligations of a political subdivision issued under Chapter 133, Ohio Revised Code.

The reporting entity's deposits must be held in insured depositories approved by the State Board of Deposit and must be fully collateralized. However, in the case of foundations and other component units of the colleges and universities, deposits of these entities are not subject to the legal requirements for deposits of governmental entities.

Deposit and investment policies of certain individual funds and component units are established by Ohio Revised Code provisions other than the Uniform Depository Act and by bond trust agreements. In accordance with applicable statutory authority, the State Highway Patrol Retirement System Pension Trust Fund, the Tuition Trust Authority Enterprise Fund, the Workers' Compensation Enterprise Fund, the Retirement Systems Agency fund, and the higher education institutions may also invest in common and preferred stocks, domestic and foreign corporate and government bonds and notes, mortgage loans, limited partnerships, venture capital, real estate and other investments.

B. State-Sponsored Investment Pool

The Treasurer of State is the investment advisor and administrator of the State Treasury Asset Reserve of Ohio (STAR Ohio), a statewide external investment pool authorized under Section 135.45, Ohio Revised Code. STAR Ohio issues a stand-alone financial report, copies of which may be obtained by making a written request to: Director of Investments, Treasurer of State, 30 East Broad Street, 9th Floor, Columbus, Ohio 43215, by calling 1-800-648-7827, or by accessing the Treasurer of State's website at www.tos.ohio.gov.

C. Deposit and Investment Risks

Although exposure to risks is minimized by complying with the legal requirements explained above and internal policies adopted by the Treasurer of State and the investment departments at the various state agencies, the State's deposits and investments are exposed to risks that may lead to losses of value.

The following risk disclosures report investments by type. The "U.S. Agency Obligations" category includes securities issued by federal government agencies and instrumentalities, including government sponsored enterprises.

1. Custodial Credit Risk

Custodial credit risk for deposits exists when a government is unable to recover deposits or recover collateral securities that are in the possession of an outside party in the event of a failure of a depository financial institution.

Deposits of the primary government and its component units are exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

In Ohio, legal requirements for depositor-governments are met when deposits are collateralized with securities held by the pledging financial institution, or by the pledging institution's trust department or agent but not in the government's name. The State's reporting entity has not established specific policies for managing custodial credit risk exposure for deposits.

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

The table below reports the carrying amount of deposits, as of June 30, 2015, held by the primary government, including fiduciary activities, and its major discretely presented component units and the extent of exposure to custodial credit risk.

Primary Government (including Fiduciary Activities) and Major Discretely Presented Component Units
Deposits—Custodial Credit Risk
As of June 30, 2015
(dollars in thousands)

			Uninsured Portion of Reported Bank Balance		
	Carrying Amount	Bank Balance	Uncollateralized	Collateralized with Securities Held by the Pledging Institution's Trust Department or Agent but not in the Depositor-Government's Name	Collateralized with Securities Held by the Pledging Institution
Primary Government	$ 1,286,302	$ 1,107,365	$ 22,923	$ 69,199	$ 21,242
Major Discretely Presented Component Units:					
Ohio State University	1,020,691	1,003,400	-	-	970,132

Custodial credit risk for investments exists when a government is unable to recover the value of investments or collateral securities that are in the possession of an outside party in the event of a failure of a counterparty to a transaction.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department but not in the government's name.

The State's reporting entity has not established specific policies for managing custodial credit risk exposure for investments.

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

The following table reports the fair value, as of June 30, 2015, of investments by type for the primary government, including fiduciary activities, and the extent of exposure to custodial credit risk (dollars in thousands).

Primary Government (including Fiduciary Activities)
Investments—Fair Value and Custodial Credit Risk
As of June 30, 2015
(dollars in thousands)

	Total Fair Value	Uninsured, Unregistered, and Held by the Counterparty's Trust Department or Agent but not in the State's Name
Investments Subject to Custodial Credit Risk Exposure:		
U.S. Government Obligations	$ 14,115,989	$ -
U.S. Government Obligations—Strips	813,987	514,993
U.S. Agency Obligations	6,482,784	-
U.S. Agency Obligations—Strips	271,960	-
Common and Preferred Stock	49,277,389	-
Corporate Bonds and Notes	18,163,358	-
Corporate Bonds and Notes—Strips	99	-
Municipal Obligations	702,299	-
Negotiable Certificates of Deposit	642,915	-
Commercial Paper	5,916,502	-
Repurchase Agreements	1,684,673	-
Mortgage and Asset-Backed Securities	9,375,564	-
International Investments:		
Foreign Stocks	36,315,978	-
Foreign Bonds	3,351,604	-
High-Yield and Emerging Markets Fixed Income	7,507,382	-
Securities Lending Collateral:		
Commercial Paper	125,500	-
Repurchase Agreements	965,000	-
Variable Rate Notes	1,262,863	-
Bond Mutual Funds	409,165	-
		$ 514,993
Investments Not Subject to Custodial Credit Risk Exposure:		
Investments Held by Broker-Dealers under Securities Loans with Cash Collateral:		
U.S. Government Obligations	1,125,144	
U.S. Government Obligations—Strips	111,962	
U.S. Agency Obligations	1,433,975	
U.S. Agency Obligations—Strips	17,242	
Corporate Bonds and Notes	13,672	
International Investments-Commingled Equity Funds	8,138,427	
Equity Mutual Funds	11,963,728	
Bond Mutual Funds	8,401,795	
Real Estate	21,661,411	
Venture Capital	18,790,772	
Partnerships and Hedge Funds	18,240,167	
Deposit with Federal Government	589,867	
Component Units' Equity in State Treasurer's Cash and Investment Pool	(555,132)	
Component Units' Equity in the State Treasury Asset Reserve of Ohio	(95,085)	
Total Investments — Primary Government	$ 247,222,956	

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

The following table reports investments with custodial credit risk exposure for the major discretely presented component units. The Ohio Facilities Construction Commission Component Unit Fund also participates in the State Treasurer's Cash and Investment Pool. Risks associated with the Ohio Facilities Construction Commission's share of the pool are included in the disclosures for the Primary Government.

Major Discretely Presented Component Units
Investment Custodial Credit Risk
As of June 30, 2015
(dollars in thousands)

	Fair Value	Uninsured, Unregistered, and Held by the Counterparty but not in the Component Unit's Name
Ohio State University:		
U.S. Government Obligations	$ 328,029	$ 328,029
U.S. Agency Obligations	87,440	87,440
Common and Preferred Stock	273,943	273,943
Corporate Bonds and Notes	540,709	540,709
Municipal Obligations	14,572	14,572
Negotiable Certificates of Deposit	59,747	59,747
Commercial Paper	25,763	25,763
Repurchase Agreements	2,000	2,000
International Investments:		
Foreign Stocks	204,437	204,437
Foreign Bonds	243,056	243,056
Securities Lending Collateral:		
Commercial Paper	5,128	5,128
Repurchase Agreements	12,460	12,460
Variable Rate Notes	15,682	15,682
Total Ohio State University		$ 1,812,966

2. Credit Risk

The risk that an investment's issuer or counterparty will not satisfy its obligation is called credit risk. The exposure to this risk has been minimized through the laws and policies adopted by the State.

For investments that are included in the treasury's cash and investment pool and reported as "Cash Equity with Treasurer" and other investment securities managed by the Treasurer of State's Office, Chapter 135, Ohio Revised Code, requires such investments to carry certain credit ratings at the time of purchase as follows:

- Commercial paper must carry ratings in the two highest categories by two nationally recognized rating agencies;
- Debt interests (other than commercial paper) must carry ratings in the three highest categories by two nationally recognized rating agencies. This requirement is met when either the debt interest or the issuer of the debt interest carries this rating; and
- For Registered Investment Companies (Mutual Funds), no-load money market mutual funds must carry a rating of the highest category by one rating agency.

Investment policies of the Treasurer of State's Office further define required credit ratings as follows:

- Commercial paper must have a short term debt rating of at least "A1" or equivalent by all agencies that rate the issuer, with at least two agencies rating the issuer;
- Bonds and notes of any State or political subdivision thereof must be rated in the three highest categories by Standard & Poor's;
- Banker acceptances must carry a minimum of "A+" for long-term debt ("AAA" for foreign issuers) by a majority of the agencies rating the issuer. For short-term debt, the rating must be at least "A1" or equivalent by at least two agencies rating the issuer;

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

- Foreign debt must be guaranteed as to principal and interest by the foreign nation, and be rated in one of the three highest categories by at least two rating agencies; and
- Repurchase agreements must, in the case when issued by a counterparty that is not either: an Ohio financial institution that is a member of the Federal Reserve System, or a Federal Home Loan Bank, or a recognized government securities dealer, then such counterparty must have a short-term debt rating of at least A-1 by Standard & Poor's, or, if the counterparty is not explicitly rated A-1 by Standard & Poor's, then the counterparty must possess a guarantee from a Standard & Poor's-rated parent company.

Investment policies regarding credit risk that are in addition to Ohio Revised Code requirements and are specific to the following significant entities reported in the State's reporting entity are as follows:

Workers' Compensation Enterprise Fund
The Fund requires investment-grade ratings by at least two nationally-recognized bond rating services for fixed income securities.

Variable College Savings Plan Private-Purpose Trust Fund
The fixed income portfolio should consist primarily of domestic investment grade bonds and may be partially invested in below investment grade bonds. Any portion of the portfolio in below-investment grade securities should be invested in "BB" and "B" rated securities.

STAR Ohio Investment Trust Fund
Investment policies governing the STAR Ohio external investment pool require that all securities must be rated the equivalent of "A-1" or higher. Mutual funds must be rated AAA or AAAm by Standard and Poor's.

Retirement Systems Agency Fund
For the Ohio Public Employees Retirement System, non-investment grade securities are limited to 35 percent of the total Public Fixed Income portfolio assets. Limitations on the holdings of non-investment grade securities are included in the portfolio's guidelines.

For the Ohio Police and Fire Pension Fund,

- Securities in the core fixed income portfolio shall be rated "BBB-" or better by two standard rating agencies at the time of the purchase;
- Securities in the high yield fixed income portfolio are high yield bonds issued by U.S. corporations with a minimum rating of "CCC" or equivalent;
- Investment managers may purchase securities that are "Not Rated" as long as they deem these securities to be at least equivalent to the minimum ratings; and
- Short-term investments must be rated within the two highest classifications established by two standard rating agencies.

The Ohio Facilities Construction Commission Component Unit Fund also participates in the State Treasurer's Cash and Investment Pool. Risks associated with the Ohio Facilities Construction Commission's share of the pool are included in the disclosures for the Primary Government.

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

All investments, as categorized by credit ratings in the tables below and on the following page, meet the requirements of the State's laws and policies, when applicable.

Primary Government (including Fiduciary Activities)
Investment Credit Ratings
As of June 30, 2015
(dollars in thousands)

Investment Type	Credit Rating AAA/Aaa	AA/Aa	A/A-1	BBB/Baa	BB/Ba	B
U.S. Agency Obligations	$ 3,178,328	$ 2,749,711	$ 1,982,357	$ -	$ -	$ -
U.S. Agency Obligations—Strips	264,482	24,720	-	-	-	-
Corporate Bonds and Notes	460,052	1,572,023	5,239,494	6,284,213	2,242,781	1,824,644
Corporate Bonds and Notes—Strips	89	-	-	-	-	-
Municipal Obligations	76,280	448,426	163,432	12,409	-	-
Negotiable Certificates of Deposit	641,556	-	-	-	-	-
Commercial Paper	110,986	1,897,784	3,907,732	-	-	-
Repurchase Agreements	200,000	503,000	450,000	-	-	-
Mortgage and Asset-Backed Securities	1,847,672	5,894,711	352,566	257,660	222,440	268,100
International Investments:						
Foreign Bonds	636,674	580,179	609,558	1,194,933	224,220	51,184
High-Yield & Emerging Markets Fixed Income	67,796	95,110	843,577	2,550,973	1,548,999	1,499,252
Bond Mutual Funds	3,948,077	1,887,941	1,152,653	71,116	62,006	56,426
Securities Lending Collateral:						
Commercial Paper	-	-	125,500	-	-	-
Repurchase Agreements	-	-	420,000	545,000	-	-
Variable Rate Notes	-	454,385	788,478	20,000	-	-
Bond Mutual Funds	409,165	-	-	-	-	-
Total Primary Government	$ 11,841,157	$ 16,107,990	$ 16,035,347	$ 10,936,304	$ 4,300,446	$ 3,699,606

Investment Type	Credit Rating CCC/Caa	CC/Ca	C	D	Unrated	Total
U.S. Agency Obligations	$ -	$ -	$ -	$ -	$ 6,363	$ 7,916,759
U.S. Agency Obligations—Strips	-	-	-	-	-	289,202
Corporate Bonds and Notes	508,777	10	503	200	44,333	18,177,030
Corporate Bonds and Notes—Strips	-	-	-	-	10	99
Municipal Obligations	1,069	-	-	-	683	702,299
Negotiable Certificates of Deposit	-	-	-	-	1,359	642,915
Commercial Paper	-	-	-	-	-	5,916,502
Repurchase Agreements	-	-	-	-	531,673	1,684,673
Mortgage and Asset-Backed Securities	194,159	90,233	28,345	54,447	165,231	9,375,564
International Investments:						
Foreign Bonds	38,811	12,899	-	101	3,045	3,351,604
High-Yield & Emerging Markets Fixed Income	708,607	2,433	4,913	4,326	181,396	7,507,382
Bond Mutual Funds	5,356	-	-	-	1,218,220	8,401,795
Securities Lending Collateral:						
Commercial Paper	-	-	-	-	-	125,500
Repurchase Agreements	-	-	-	-	-	965,000
Variable Rate Notes	-	-	-	-	-	1,262,863
Bond Mutual Funds	-	-	-	-	-	409,165
Total Primary Government	$ 1,456,779	$ 105,575	$ 33,761	$ 59,074	$ 2,152,313	$ 66,728,352

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

Major Discretely Presented Component Units
Investment Credit Ratings
As of June 30, 2015
(dollars in thousands)

	Credit Rating					
Ohio State University:	AAA/Aaa	AA/Aa	A/A-1	BBB/Baa	BB/Ba	B
U.S. Agency Obligations	$ -	$ 86,245	$ 528	$ -	$ -	$ -
Corporate Bonds and Notes	82,722	70,025	200,169	141,597	27,045	9,022
Municipal Obligations	-	7,168	4,437	2,967	-	-
Negotiable Certificates of Deposit	982	-	3,556	-	-	-
Commercial Paper	-	-	-	-	-	-
Repurchase Agreements	-	-	-	-	-	-
International Investments-Foreign Bonds	2,700	63,203	128,077	44,188	3,887	-
Bond Mutual Funds	38,037	12,435	21,085	17,972	220	1,023
Securities Lending Collateral:						
Commercial Paper	763	408	3,957	-	-	-
Repurchase Agreements	-	-	-	-	-	-
Variable Rate Notes	358	7,006	8,318	-	-	-
Total Ohio State University	$ 125,562	$ 246,490	$ 370,127	$ 206,724	$ 31,152	$ 10,045

	Credit Rating					
Ohio State University (continued):	CCC/Caa	CC/Ca	C	D	Unrated	Total
U.S. Agency Obligations	$ -	$ -	$ -	$ -	$ 667	$ 87,440
Corporate Bonds and Notes	-	-	-	-	10,129	540,709
Municipal Obligations	-	-	-	-	-	14,572
Negotiable Certificates of Deposit	-	-	-	-	55,209	59,747
Commercial Paper	-	-	-	-	25,763	25,763
Repurchase Agreements	-	-	-	-	2,000	2,000
International Investments-Foreign Bonds	-	-	-	-	1,001	243,056
Bond Mutual Funds	220	219	219	250	915	92,595
Securities Lending Collateral:						
Commercial Paper	-	-	-	-	-	5,128
Repurchase Agreements	-	-	-	-	12,460	12,460
Variable Rate Notes	-	-	-	-	-	15,682
Total Ohio State University	$ 220	$ 219	$ 219	$ 250	$ 108,144	$ 1,099,152

	Credit Rating					
Ohio Facilities Construction Commission:	AAA/Aaa	AA/Aa	A/A-1	BBB/Baa	BB/Ba	B
Bond Mutual Funds	$ 2,207	$ -	$ -	$ -	$ -	$ -
Total Ohio Facilities Construction Commission	$ 2,207	$ -	$ -	$ -	$ -	$ -

	Credit Rating				
Ohio Facilities Construction Commission (continued):	CCC/Caa	CC/Ca	C	Unrated	Total
Bond Mutual Funds	$ -	$ -	$ -	$ -	$ 2,207
Total Ohio Facilities Construction Commission	$ -	$ -	$ -	$ -	$ 2,207

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

Descriptions of the investment credit ratings shown in the tables are as follows:

Rating	General Description of Credit Rating
AAA/Aaa	Extremely strong
AA/Aa	Very strong
A/A-1	Strong
BBB/Baa	Adequate
BB/Ba	Less vulnerable
B	More vulnerable
CCC/Caa	Currently vulnerable to nonpayment
CC/Ca	Currently highly vulnerable to nonpayment
C	Currently highly vulnerable to nonpayment due to certain conditions (e.g., filing of bankruptcy petition or similar action by issuer)
D	Currently highly vulnerable to nonpayment for failure to pay by due date

3. Concentration of Credit Risk

The potential for loss of value increases when investments are not diversified. The State has imposed limits on the types of authorized investments to prevent this type of loss.

For investments that are included in the treasury's cash and investment pool, and reported as "Cash Equity with Treasurer" and other investment securities managed by the Treasurer of State's Office, Chapter 135, Ohio Revised Code, requires the following:

- Investments in commercial paper may not exceed 40 percent of the State's total average portfolio;
- Bankers acceptances cannot exceed ten percent of the State's total average portfolio;
- Corporate notes cannot exceed 25 percent of the State's total average portfolio;
- Corporate notes of a single issuer, when combined with other investments of that issuer, may not exceed five percent of the State's total average portfolio;
- Debt interest (other than commercial paper) shall not exceed 25 percent of the State's total average portfolio, and when combined with commercial paper, the amount of a single issuer may not exceed five percent of the total average portfolio; and
- Debt interests in foreign nations may not exceed one percent of the State's total average portfolio.

Investment policies of the Treasurer of State further restrict concentrations of investments. Maximum concentrations are as follows:

Investment Type	Maximum % of Total Average Portfolio
U.S. Treasury	100
Federal Agency (fixed rate)	100
Federal Agency (callable)	55
Federal Agency (variable rate)	10
Repurchase Agreements	50
Bankers' Acceptances	10
Commercial Paper	40
Corporate Notes	25
Foreign Notes	1
Certificates of Deposit	20
Municipal Obligations	20
STAR Ohio	25
Mutual Funds	100

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

The investment policies of the Treasurer of State's Office also specify that commercial paper, when combined with investments in other corporate obligations, are further limited to no more than five percent of the total average portfolio. Bankers' Acceptances are limited to no more than five percent of the total average portfolio in any single issuer. Mutual funds are further limited in that the Treasurer's holdings in a single mutual fund cannot be more than ten percent of the total assets of that mutual fund, nor more than ten percent of the total average portfolio. Repurchase Agreements are further limited in that any one counterparty may not exceed ten percent of the total average portfolio. Municipal obligations are further limited to no more than 2.5 percent of the total average portfolio in any single issuer.

Investment policies regarding concentration of investments that are in addition to Ohio Revised Code requirements and are specific to the following significant entities reported in the State's reporting entity are as follows:

Lottery Commission Enterprise Fund
No more than two percent of the total average portfolio may be invested in the securities of any single issuer with the following exceptions: U.S. government obligations, 100 percent maximum; repurchase agreements, limited at the lesser of five percent or $250 million; and mutual funds, ten percent maximum.

State Highway Patrol Retirement System Pension Trust Fund
Policy prohibits the investment of more than ten percent of its fixed income portfolio in securities of any one issuer with the exception of U.S. government securities, or the investment of more than five percent of the Fund's total investments in any one issuer with the exception of U.S. government securities.

STAR Ohio Investment Trust Fund
Investments in a single issuer are further limited to no more than five percent of the total average portfolio except as follows:

- U.S. Treasury obligations, limited at 100 percent;
- U.S. Agency obligations, limited to 100 percent with no single U.S. Agency exceeding 33 percent unless maturing in 30 days or less and rated AA- or higher;
- repurchase agreement counterparties, limited at a maximum of 25 percent for A-1 rated counterparties and at a maximum of 50 percent for A-1+ rated counterparties, with further limitations based on the maturity of the investment;
- mutual funds, limited at 100 percent; with no more than ten percent of the total average portfolio invested in any single mutual fund and limited to no more than ten percent of the total assets of any single mutual fund;
- corporate obligations, limited to 25 percent, with no more than five percent invested with any single issuer;
- municipal bonds, limited at ten percent and limited to no more than 2.5 percent with any single issuer;
- commercial paper, limited to 40 percent, with no more than five percent invested with any single issuer; and
- bankers' acceptances, limited at ten percent, with no more than five percent invested with any single issuer.

Retirement Systems Agency Fund
For the Ohio Police and Fire Pension Fund, no more than ten percent of the core Fixed Income Portfolio may be invested in the securities of any one issuer, and no more than five percent in any one issuer on a dollar duration basis, with the exception of U.S. government or agency securities. For its High Yield Portfolio, no more than ten percent of the portfolio may be invested in securities of a single issue or issuer, unless approved by the Board of Trustees.

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

As of June 30, 2015, all investments meet the requirements of the State's law and policies, when applicable. However, investments in certain issuers are at least five percent of investment balances, as follows (dollars in thousands):

Issuer	Amount	Percentage of Investment Balance
Governmental and Business-Type Activities:		
Federal Home Loan Bank	2,398,823	6%
STAR Ohio Investment Trust Fund:		
Federal Home Loan Bank	651,398	20%
Ohio Facilities Construction Commission Component Unit Fund:		
Federal National Mortgage Association	27,942	5%
Federal Home Loan Bank	102,351	19%
Federal Home Loan Mortgage Corporation	34,358	6%
Federal Farm Credit Bank.....	41,404	8%

4. Interest Rate Risk

Certain of the State's investments are exposed to interest rate risk. This risk exists when changes to interest rates will negatively impact the fair value of an investment. The State has adopted policies to mitigate this risk.

Investment policies governing the treasury's cash and investment pool, which is reported as "Cash Equity with Treasurer" and is managed by the Treasurer of State's Office, limit maturities of short term investments to no more than 18 months with a weighted average maturity not to exceed 90 days. For long-term investments, maturities are limited to five years or less, except for those that are matched to a specific obligation or debt of the State. A duration target of three years or less has been established for long-term investments. Policy also limits maturities for specific investment types as follows: five years for corporate notes, 270 days for commercial paper, 90 days for repurchase agreements, 270 days for bankers' acceptances, and five years for foreign debt.

Investment policies regarding investment maturities that are in addition to Ohio Revised Code requirements and are specific to the following significant entities reported in the State's reporting entity are as follows:

Workers' Compensation Enterprise Fund
Policy requires each fixed-income portfolio to be invested with duration characteristics that are within a range consistent with Barclay's Capital Fixed Income Index ranges.

Lottery Commission Enterprise Fund
Investments are required to have maturities of 30 years or less. In no case may the maturity of an investment exceed the expected date of disbursement of those funds.

Variable College Savings Plan Private-Purpose Trust Fund
Policy requires each fixed-income portfolio to be invested with duration characteristics that are within a range consistent with Barclay's Aggregate Index ranges.

STAR Ohio Investment Trust Fund
Investment policies limit maturities of investments to a final stated maturity of 397 days or less, with a 762 day limit for floating rate U.S. Treasury and U.S. Agency obligations. Repurchase agreements are limited to maturities of 30 days and both commercial paper and bankers' acceptances are limited to maturities of 270 days.

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

Retirement Systems Agency Fund
The Public Fixed Income Policy of the Ohio Public Employees Retirement System requires an average effective duration of all defined benefit and health care assets to be within 20 percent of the option-adjusted duration of the Public Fixed Income asset class, excluding Liquidity Funds. Liquidity Funds duration must be within a range of zero to 120 percent of the average option-adjusted duration.

As of June 30, 2015, investments reported as "Cash Equity with Treasurer" have terms that make their fair values highly sensitive to the interest rate changes. The U.S. agency obligations investment type includes $2.26 billion of investments with call dates during fiscal years 2016 through 2020. All of these investments have maturities between fiscal years 2016 through 2021 and are reported in the table on the following page as maturing in one to six years.

In addition, several investments reported as "Investments" have terms that make their fair values highly sensitive to interest rate changes. U.S. agency obligations of $187.9 million and corporate bonds of $25.5 million have daily, monthly, and quarterly reset dates. Commercial paper of $92.6 million has a 31-day put notice. U.S. Treasury Floating Rate Notes of $15 million have quarterly reset dates. Certificates of deposit of $10 million have daily reset rates. For "Collateral on Lent Securities," variable rate notes of $1.11 billion and $110 million have quarterly and daily reset rates, respectively. Commercial paper of $110 million has monthly reset dates. Repurchase agreements of $329 million have daily reset rates.

The Lottery Commission Enterprise Fund has "Collateral on Lent Securities" with reset dates. Variable rate notes of $42.5 million and $3 million have quarterly and daily reset dates, respectively. Commercial paper of $8 million has monthly reset dates. Repurchase agreements of $16 million have daily reset dates.

Also during fiscal year 2015, the Treasurer of State acted as the custodian of the Retirement Systems Agency Fund's investments. These investments contain terms that make their fair values highly sensitive to interest rate changes. Specific information on the nature of the investments and their terms can be found in each respective retirement system's Comprehensive Annual Financial Report.

The tables on the following page list the investment maturities of the investments for the primary government, including fiduciary activities, and its major discretely presented component units. All investments at June 30, 2015, meet the requirements of the State's laws and policies, when applicable. The Ohio Facilities Construction Commission Component Unit Fund also participates in the State Treasurer's Cash and Investment Pool. Risks associated with the Ohio Facilities Construction Commission's share of the pool are included in the disclosures for the Primary Government.

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

Primary Government (including Fiduciary Activities)
Investments Subject to Interest Rate Risk
As of June 30, 2015
(dollars in thousands)

Investment Type	Investment Maturities (in years) Less than 1	1-5	6-10	More than 10	Total
U.S. Government Obligations	$ 1,317,142	$ 7,244,302	$ 2,978,406	$ 3,701,283	$ 15,241,133
U.S. Government Obligations—Strips	267,594	389,445	139,823	129,087	925,949
U.S. Agency Obligations	4,119,826	2,836,408	183,470	777,055	7,916,759
U.S. Agency Obligations—Strips	29,076	149,729	96,314	14,083	289,202
Corporate Bonds and Notes	985,467	5,122,327	5,807,463	6,261,773	18,177,030
Corporate Bonds and Notes—Strips	-	7	3	89	99
Municipal Obligations	2,652	9,943	9,434	680,270	702,299
Negotiable Certificates of Deposit	641,556	1,359	-	-	642,915
Commercial Paper	5,916,502	-	-	-	5,916,502
Repurchase Agreements	1,684,673	-	-	-	1,684,673
Mortgage and Asset-Backed Securities	254,901	1,106,036	394,722	7,619,905	9,375,564
International Investments:					
Foreign Bonds	314,567	648,176	653,412	1,735,449	3,351,604
High-Yield & Emerging Markets Fixed Income	265,362	1,833,534	3,737,010	1,671,476	7,507,382
Bond Mutual Funds	5,411,620	117,709	1,400,237	1,472,229	8,401,795
Securities Lending Collateral:					
Commercial Paper	125,500	-	-	-	125,500
Repurchase Agreements	965,000	-	-	-	965,000
Variable Rate Notes	1,262,863	-	-	-	1,262,863
Bond Mutual Funds	409,165	-	-	-	409,165
Total Primary Government	$ 23,973,466	$ 19,458,975	$ 15,400,294	$ 24,062,699	$ 82,895,434

Major Discretely Presented Component Units
Investments Subject to Interest Rate Risk
As of June 30, 2015
(dollars in thousands)

Ohio State University:	Investment Maturities (in years) Less than 1	1-5	6-10	More than 10	Total
U.S. Government Obligations	$ 18,432	$ 224,315	$ 84,498	$ 784	$ 328,029
U.S. Agency Obligations	1,833	59,110	11,307	15,190	87,440
Corporate Bonds and Notes	125,987	346,863	29,375	38,484	540,709
Municipal Obligations	1,531	12,195	-	846	14,572
Negotiable Certificates of Deposit	53,553	6,194	-	-	59,747
Commercial Paper	25,763	-	-	-	25,763
Repurchase Agreements	2,000	-	-	-	2,000
International Investments-Foreign Bonds	86,690	155,068	1,298	-	243,056
Bond Mutual Funds	21,527	33,287	27,499	10,282	92,595
Securities Lending Collateral:					
Commercial Paper	5,128	-	-	-	5,128
Repurchase Agreements	12,460	-	-	-	12,460
Variable Rate Notes	15,080	602	-	-	15,682
Total Ohio State University	$ 369,984	$ 837,634	$ 153,977	$ 65,586	$ 1,427,181

Ohio Facilities Construction Commission:	Investment Maturities (in years) Less than 1	1-5	6-10	More than 10	Total
Bond Mutual Funds	$ 2,207	$ -	$ -	$ -	$ 2,207
Total Ohio Facilities Construction Commission	$ 2,207	$ -	$ -	$ -	$ 2,207

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

5. Foreign Currency Risk

Investments in stocks and bonds denominated in foreign currencies are affected by foreign currency risk which arises from changes in currency exchange rates.

As of June, 30, 2015, investments denominated in the currency of foreign nations, as detailed in the following tables for the primary government, including fiduciary activities, and the Ohio State University major discretely presented component unit, meet the requirements of the State's laws and policies, when applicable.

Primary Government (including Fiduciary Activities)
International Investments—Foreign Currency Risk
As of June 30, 2015
(dollars in thousands)

	Stocks	Bonds	High-Yield & Emerging Markets Fixed Income	Commingled International Equity	Total
Argentinean Peso	$ 1	$ -	$ -	$ -	$ 1
Australian Dollar	914,246	(1,286)	-	121,250	1,034,210
Brazilian Real	572,256	(5,864)	234,509	41,605	842,506
British Pound	3,437,502	(712)	41,095	623,808	4,101,693
Canadian Dollar	1,145,384	116	-	163,995	1,309,495
Chilean Peso	107,447	567	1,443	6,586	116,043
Chinese Renminbi	-	-	-	503	503
Costa Rican Colon	-	-	12,159	-	12,159
Colombian Peso	3,494	(482)	136,932	3,164	143,108
Czech Koruna	17,983	-	-	959	18,942
Danish Krone	429,072	-	-	29,414	458,486
Dominican Peso	-	-	12,390	-	12,390
Egyptian Pound	16,068	-	-	1,098	17,166
Euro	4,509,609	(1,431)	152,248	585,390	5,245,816
Ghana Cedi	-	-	16,510	-	16,510
Hong Kong Dollar	2,159,448	-	-	251,412	2,410,860
Hungarian Forint	16,720	-	20,499	1,135	38,354
Indian Rupee	815,462	1,886	104,240	41,331	962,919
Indonesian Rupiah	177,717	2,757	239,251	12,557	432,282
Israeli Shekel	6,467	-	-	10,609	17,076
Japanese Yen	3,477,996	-	-	402,618	3,880,614
Kenya Shilling	-	-	11,613	-	11,613
Malaysian Ringgit	138,490	-	146,967	17,073	302,530
Mexican Peso	166,880	(6,071)	307,838	24,328	492,975
Moroccan Dirham	316	-	-	-	316
New Zealand Dollar	32,410	3,946	-	2,266	38,622
Nigerian Naira	14,684	-	27,977	-	42,661
Norwegian Krone	161,137	(55)	-	11,231	172,313
Omani Rial	5,200	-	-	-	5,200
Peruvian New Sol	1,287	-	49,342	-	50,629
Philippines Peso	75,022	189	29,492	9,509	114,212
Polish Zloty	77,032	1,615	122,251	7,879	208,777
Qatari Rial	35,045	-	-	5,139	40,184
Romanian Leu	-	1,121	10,626	-	11,747
Russian Ruble	36,136	(929)	100,943	10,003	146,153
Singapore Dollar	268,987	-	-	25,079	294,066
South African Rand	550,877	191	185,087	42,594	778,749
South Korean Won	1,177,554	-	(219)	77,341	1,254,676
Swedish Krona	455,794	-	426	54,557	510,777
Swiss Franc	1,469,999	-	1,167	162,383	1,633,549
Taiwan Dollar	829,882	-	-	68,239	898,121
Thailand Baht	293,672	-	77,902	12,232	383,806
Turkish Lira	196,093	(775)	204,237	12,766	412,321
Uganda Shilling	-	-	8,478	-	8,478
United Arab Emirates Dirham	7,856	-	-	3,992	11,848
Uruguayan Peso	-	-	46,644	-	46,644
Zimbabwean Dollar	-	-	8,673	-	8,673
Investments Held in Foreign Currency	$ 23,801,225	$ (5,217)	$ 2,310,720	$ 2,844,045	$ 28,950,773
Foreign Investments Held in U.S. Dollars					26,362,618
Total Foreign Investments-Primary Government, including Fiduciary Activities					$ 55,313,391

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

Major Discretely Presented Component Units
International Investments—Foreign Currency Risk
As of June 30, 2015
(dollars in thousands)

Ohio State University:

Currency	Stocks	Bonds	Total
Australian Dollar	$ 428	$ -	$ 428
Brazilian Real	4,649	2,911	7,560
British Pound	34,153	2,039	36,192
Canadian Dollar	1,113	-	1,113
Czech Koruna	997	-	997
Egyptian Pound	1,728	-	1,728
Euro	40,738	2,566	43,304
Hong Kong Dollar	9,661	-	9,661
Indian Rupee	4,222	-	4,222
Indonesian Rupiah	1,059	-	1,059
Japanese Yen	18,545	-	18,545
Mexican Peso	1,755	-	1,755
Norwegian Krone	964	-	964
South African Rand	4,869	-	4,869
South Korean Won	6,537	-	6,537
Swedish Krona	1,272	-	1,272
Swiss Franc	15,756	-	15,756
Taiwan Dollar	5,290	-	5,290
Thailand Baht	2,368	-	2,368
Turkish Lira	1,359	-	1,359
United Arab Emirates Dirham	1,536	-	1,536
Investments Held in Foreign Currency	$ 158,999	$ 7,516	$ 166,515
Foreign Investments Held in U.S. Dollars			280,978
Total Foreign Investments - Ohio State University			$ 447,493

The State's laws and investment policies include provisions to limit the exposure to this type of risk. According to Chapter 135, Ohio Revised Code, investments managed by the Treasurer of State's Office, and reported as "Cash Equity with Treasurer", are limited to the debt of nations diplomatically recognized by the United States and that are backed by the full faith and credit of that foreign nation.

Investment policies of the Treasurer of State's Office further limit the types of authorized investments. These requirements include maturity limitations of five years at the date of purchase and denomination of principal and interest in U.S. dollars. Other limitations are noted in the previous sections of this note that discuss credit risk and concentration of credit risk.

Investment policies regarding foreign currency risk have also been adopted for the following significant entities reported in the primary government and are specific to those entities:

Retirement Systems Agency Fund
For the Ohio Public Employees Retirement System, non-U.S. dollar-based securities are limited to 25 percent of the total Fixed Income assets. Additionally, no more than 40 percent of the Fixed Income assets may be from non-U.S. issuers.

D. Securities Lending Transactions

The Treasurer of State participates in the securities lending programs for securities included in the "Cash Equity with Treasurer" and "Investments" accounts. Each lending program is administered by a custodial agent bank, whereby certain securities are transferred to an independent broker-dealer (borrower) in exchange for collateral.

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

At the time of the loan, the Treasurer of State requires its custodial agents to ensure that the State's lent securities are collateralized at no less than 102 percent of fair value. At no point in time can the value of the collateral be less than 100 percent of the underlying securities.

Consequently, as of June 30, 2015, the State had no credit exposure since the amount the State owed to the borrowers at least equaled or exceeded the amount borrowers owed to the State.

The State invests cash collateral in short-term obligations, which have a weighted average maturity of 36 days or less while the weighted average maturity of securities loans is 12 days or less.

The State cannot sell securities received as collateral unless the borrower defaults. Consequently, these amounts are not reflected in the financial statements.

According to the lending contracts the Treasurer of State executes for the State's cash and investment pool and for the Ohio Lottery Commission Enterprise Fund, the securities lending agent is to indemnify the Treasurer of State for any losses resulting from either the default of a borrower or any violations of the security lending policy.

During fiscal year 2015, the State had not experienced any losses due to credit or market risk on securities lending activities.

In fiscal year 2015, the Treasurer of State lent U.S. government and agency obligations and corporate notes in exchange for cash collateral.

E. Investment Derivatives

As of June 30, 2015, the State reports the following investment derivatives in its financial statements (dollars in thousands):

Investment Derivatives
As of June 30, 2015
(dollars in thousands)

	Notional	Fair Value at 6/30/2015 Amount	Reported as	Increase (Decrease) in Fair Value Amount	Reported as
Governmental Activities:					
Investment Derivatives:					
Pay-fixed interest rate swaps	$ 112,370	$ (11,197)	Other Noncurrent Liability	$ 655	Operating Restricted Investment Loss - Primary, Secondary and Other Education Function
Fiduciary Funds—Agency:					
Investment Derivatives:					
Credit default swaps	58,117	1,212	Investments	1,160	Investment Income
Credit linked notes	-	-	Investments	(2,899)	Investment Income
Equity swaps	1,206,948	(18,576)	Investments	(30,857)	Investment Income
Foreign exchange forward currency contracts	11,288,539	(23,838)	Investments	18,613	Investment Income
Futures contracts	(153,027)	(3,959)	Investments	(4,293)	Investment Income
Interest rate swap	7,047,139	(42)	Investments	1,372	Investment Income
Options	1,761,403	4,530	Investments	7,176	Investment Income
Total return swaps	1,361,893	9,625	Investments	(2,093)	Investment Income
Warrants	1,821	3,209	Investments	(5,770)	Investment Income

For governmental activities, the pay-fixed swaps included in the table above do not meet the criteria for hedging derivatives as of June 30, 2015, and are reported as investment derivatives. The increases in the fair values for fiscal year 2015 of $655 thousand are reported as operating restricted investment gains for the primary, secondary and other education function in the Statement of Activities.

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

The credit quality ratings of JPMorgan Chase, the counterparty, are Aa3/A+/AA- as of June 30, 2015. The State was not exposed to credit risk because these swaps had negative fair values at June 30, 2015. However, should interest rates change and the fair values of the swaps become positive, the State would be exposed to credit risk in the amount of the derivative's positive fair value.

Each swap counterparty is required to post collateral to a third party when their respective credit rating, as determined by specified nationally recognized credit rating agencies, falls below the trigger level defined in the swap agreement and based on the fair value of the swap. This arrangement protects the State by mitigating the credit risk, and therefore termination risk, inherent in the swap. Collateral on all swaps must be in the form of cash or U.S. government securities held by a third-party custodian. Net payments are made on the same date, as specified in the agreements.

These swaps, maturing March 15, 2025, are associated with Common Schools Bonds, Series 2005A and Series 2005B. The underlying index is a variable rate based on 62 percent of the ten year LIBOR. The combination of the variable-rate bonds and a floating-to-fixed swap creates a low-cost, long-term synthetic fixed-rate debt that protects the State from rising interest rates.

The Ohio Public Employees Retirement System, Ohio Police and Fire Pension Fund, School Employees Retirement System of Ohio, and State Teachers Retirement System of Ohio have entered into the derivatives reported in the Agency Fund. All derivatives of these retirement systems are categorized as investment derivatives. The fair values and associated risks of the investment derivatives for the Agency Fund are included in the balances and risks disclosed in the previous sections of this note disclosure.

NOTE 5 RECEIVABLES

A. Taxes Receivable – Primary Government

Current taxes receivable are expected to be collected in the next fiscal year while noncurrent taxes receivable are not expected to be collected until more than one year from the balance sheet date. As of June 30, 2015, approximately $82.6 million of the net taxes receivable balance is also reported as deferred inflows of resources on the governmental funds' balance sheet, all of which is reported in the General Fund.

Refund liabilities for income taxes, totaling approximately $763.4 million are reported as "Refund and Other Liabilities" for governmental activities on the Statement of Net Position and in the General Fund on the governmental funds' Balance Sheet.

The following table summarizes taxes receivable for the primary government (dollars in thousands):

	Governmental Activities		
	General	Nonmajor Governmental Funds	Total Primary Government
Current-Due Within One Year:			
Income Taxes	$ 394,727	$ -	$ 394,727
Sales Taxes	519,964	-	519,964
Motor Vehicle Fuel Taxes	93,509	72,946	166,455
Commercial Activity Taxes	374,596	21,388	395,984
Public Utility Taxes	85,277	-	85,277
Casino Taxes	-	4,830	4,830
	1,468,073	99,164	1,567,237
Noncurrent-Due in More Than One Year:			
Income Taxes	16,282	-	16,282
Taxes Receivable, Net	$ 1,484,355	$ 99,164	$ 1,583,519

NOTE 5 RECEIVABLES (Continued)

B. Intergovernmental Receivable – Primary Government

The intergovernmental receivable balance reported for the primary government, all of which is expected to be collected within the next fiscal year, consists of the following, as of June 30, 2015 (dollars in thousands):

	From Nonexchange Programs		From Sales of Goods and Services		
	Federal Government	Local Government	Other State Governments	Local Government	Total Primary Government
Governmental Activities:					
Major Governmental Funds:					
General	$1,110,997	$ 22,500	$ -	$ -	$ 1,133,497
Job, Family and Other Human Services	168,879	12,260	-	-	181,139
Nonmajor Governmental Funds	342,226	103,602	10,189	-	456,017
Total Governmental Activities	1,622,102	138,362	10,189	-	1,770,653
Business-Type Activities:					
Major Proprietary Funds:					
Unemployment Compensation	-	-	-	416	416
Nonmajor Proprietary Funds	-	-	6,129	-	6,129
Total Business-Type Activities	-	-	6,129	416	6,545
Intergovernmental Receivable	$1,622,102	$ 138,362	$ 16,318	$ 416	$ 1,777,198

C. Loans Receivable

Loans receivable for the primary government, as of June 30, 2015, are detailed in the following table (dollars in thousands):

Primary Government - Loans Receivable

	Governmental Activities		
Loan Program	General	Nonmajor Governmental Funds	Total Primary Government
Economic Development Office of Loan Administration	$ 349,564	$ -	$ 349,564
Local Infrastructure Improvements	482,938	-	482,938
Housing Finance	161,794	-	161,794
Highway, Transit, & Aviation Infrastructure Bank	-	89,447	89,447
Third Frontier Program Loans	-	10,312	10,312
Wayne Trace Local School District	2,332	-	2,332
Rail Development	-	1,698	1,698
Loans Receivable, Net	996,628	101,457	1,098,085
Current-Due Within One Year	145,868	10,725	156,593
Noncurrent-Due in More Than One Year	850,760	90,732	941,492
Loans Receivable, Net	$ 996,628	$ 101,457	$ 1,098,085

The “Loans Receivable” balance reported in the major discretely presented component units, as of June 30, 2015, is comprised of student loans and other miscellaneous loans.

NOTE 5 RECEIVABLES (Continued)

D. Other Receivables

The other receivables balances reported for the primary government, as of June 30, 2015, consist of the following (dollars in thousands):

Primary Government - Other Receivables

	Governmental Activities				
	Major Governmental Funds				
Types of Receivables	General	Job, Family & Other Human Services	Buckeye Tobacco Settlement Financing Authority Revenue Bonds	Nonmajor Governmental Funds	Total
Manufacturers' Rebates	$ 201,516	$ 339,221	$ -	$ -	$ 540,737
Tobacco Settlement	-	-	431,125	34,100	465,225
Health Facility Bed Assessments	-	110,261	-	-	110,261
Interest	11,416	-	-	66	11,482
Accounts	8,702	15,541	-	2,805	27,048
Miscellaneous	25,914	-	-	-	25,914
Other Receivables, Net	247,548	465,023	431,125	36,971	1,180,667
Current-Due Within One Year	247,548	465,023	-	2,871	715,442
Noncurrent-Due in More Than One Year	-	-	431,125	34,100	465,225
Other Receivables, Net	$ 247,548	$ 465,023	$ 431,125	$ 36,971	$ 1,180,667

	Business-Type Activities				
	Major Proprietary Funds				
Types of Receivables	Workers' Compensation	Lottery Commission	Unemployment Compensation	Nonmajor Proprietary Funds	Total
Accounts	$ 104,530	$ -	$ 52,647	$ 81	$ 157,258
Interest and Dividends (including restricted portion)	134,504	1,338	-	1,416	137,258
Lottery Sales Agents	-	64,906	-	-	64,906
Other Receivables, Gross	239,034	66,244	52,647	1,497	359,422
Estimated Uncollectible	(1,158)	(540)	(24,648)	-	(26,346)
Other Receivables, Net-Due Within One Year	$ 237,876	$ 65,704	$ 27,999	$ 1,497	$ 333,076
Total Primary Government					$ 1,513,743

The "Other Receivables" balance reported in the fiduciary funds as of June 30, 2015, is comprised of interest due of approximately $5.6 million and investment trade receivables of $7.6 million.

In the major discretely presented component units, the "Other Receivables" balance reported, as of June 30, 2015, is comprised of accounts receivable, interest receivable, pledges receivable, unbilled charges receivable, grants receivable, and other miscellaneous receivables.

NOTE 6 PAYABLES

A. Accrued Liabilities

Details on accrued liabilities for the primary government, as of June 30, 2015, follow (dollars in thousands):

Primary Government - Accrued Liabilities

	Wages and Employee Benefits	Accrued Interest	Total Accrued Liabilities
Governmental Activities:			
Major Governmental Funds:			
General	$ 97,815	$ -	$ 97,815
Job, Family and Other Human Services	15,412	-	15,412
Nonmajor Governmental Funds	56,645	-	56,645
	169,872	-	169,872
Reconciliation of fund level statements to government-wide statements due to basis differences	-	166,452	166,452
Total Governmental Activities	169,872	166,452	336,324
Business-Type Activities:			
Nonmajor Proprietary Funds	3,238	-	3,238
Total Primary Government	$ 173,110	$ 166,452	$ 339,562

	Wages and Employee Benefits	Health Benefit Claims	Management and Administrative Expenses	Total Accrued Liabilities
Fiduciary Activities:				
State Highway Patrol Retirement System Pension Trust (12/31/2014)	$ 3,079	$ 800	$ -	$ 3,879
Variable College Savings Plan Private-Purpose Trust	-	-	3,194	3,194
STAR Ohio Investment Trust	-	-	12	12
Total Fiduciary Activities	$ 3,079	$ 800	$ 3,206	$ 7,085

The “Accrued Liabilities” balance reported in the major discretely presented component units, as of June 30, 2015, is comprised largely of payables similar to those of the primary government, such as wages and employee benefits, self-insurance, and accrued interest.

NOTE 6 PAYABLES (Continued)

B. Intergovernmental Payable

The intergovernmental payable balances for the primary government, as of June 30, 2015, are comprised of the following (dollars in thousands).

Primary Government - Intergovernmental Payable

	Local Government				
	Shared Revenue and Local Permissive Taxes	Subsidies and Other	Federal Government	Other States	Total
Governmental Activities:					
Major Governmental Funds:					
General	$ 675,635	$ 67,713	$ 58,886	$ -	$ 802,234
Job, Family and Other Human Services	-	103,054	-	-	103,054
Nonmajor Governmental Funds	86,148	121,172	-	-	207,320
Total Governmental Activities	761,783	291,939	58,886	-	1,112,608
Business-Type Activities:					
Major Proprietary Funds:					
Unemployment Compensation	-	84	978,490	-	978,574
Reconciliation of balances included in the "Other Noncurrent Liabilities" balance in the government-wide financial statements	-	-	(978,459)	-	(978,459)
Total Business-Type Activities	-	84	31	-	115
Total Primary Government					$ 1,112,723
Fiduciary Activities:					
Holding and Distribution Agency Fund	$ -	$ 7	$ 1,526	$ 25,164	$ 26,697
Payroll Withholding and Fringe Benefits Agency Fund	-	27,719	-	-	27,719
Other Agency Fund	160,463	14,603	-	-	175,066
Total Fiduciary Activities	$ 160,463	$ 42,329	$ 1,526	$ 25,164	$ 229,482

As of June 30, 2015, the Ohio Facilities Construction Commission, a major discretely presented component unit fund, reported an intergovernmental payable balance totaling approximately $545.8 million for long-term funding contracts the Commission has with local school districts. In the government-wide Statement of Net Position, the intergovernmental payable balance for the Commission is included with "Other Noncurrent Liabilities." The contracts commit the State to cover the costs of construction of facilities of the school districts once the districts have met certain eligibility requirements.

NOTE 6 PAYABLES (Continued)

C. Refund and Other Liabilities

Refund and other liabilities for the primary government, as of June 30, 2015, consist of the balances, as follows (dollars in thousands):

Primary Government - Refund and Other Liabilities

	Personal Income Tax Estimated Refund Claims	Other	Total
Governmental Activities:			
Major Governmental Funds:			
General	$ 764,475	$ 32	$ 764,507
Job, Family and Other Human Services	-	1,744	1,744
Nonmajor Governmental Funds	-	695	695
Total Governmental Activities	$ 764,475	$ 2,471	$ 766,946

	Reserve for Compensation Adjustment	Net Pension Liability	Refund and Security Deposits	Compensated Absences	Other	Total
Business-Type Activities:						
Major Proprietary Funds:						
Workers' Compensation	$ 1,805,604	$ 134,479	$ -	$ 25,233	$ 784,184	$ 2,749,500
Lottery Commission	-	18,734	46,048	3,616	15,186	83,584
Unemployment Compensation	-	-	8,395	-	-	8,395
Nonmajor Proprietary Funds	-	42,456	3	8,489	-	50,948
	1,805,604	195,669	54,446	37,338	799,370	2,892,427
Reconciliation of balances included in the "Other Noncurrent Liabilities" balance in the government-wide financial statements	(1,805,604)	(195,669)	-	(37,338)	(518,915)	(2,557,526)
Total Business-Type Activities	$ -	$ -	$ 54,446	$ -	$ 280,455	$ 334,901
Total Primary Government						$ 1,101,847

	Child Support Collections	Refund and Security Deposits	Payroll Withholdings	Retirement Systems' Assets	Other	Total
Fiduciary Activities:						
State Highway Patrol Retirement System Pension Trust (12/31/2014)	$ -	$ -	$ -	$ -	$ 36	$ 36
Variable College Savings Plan Private-Purpose Trust	-	-	-	-	6,079	6,079
STAR Ohio Investment Trust	-	-	-	-	207	207
Agency Funds:						
Holding and Distribution	-	30,106	-	-	-	30,106
Centralized Child Support Collections	63,331	-	-	-	-	63,331
Retirement Systems	-	-	-	194,294,227	-	194,294,227
Payroll Withholding and Fringe Benefits	-	-	121,486	-	-	121,486
Other	-	403,869	-	38,319	101,958	544,146
Total Fiduciary Activities	$ 63,331	$ 433,975	$ 121,486	$ 194,332,546	$ 108,280	$ 195,059,618

In the major discretely presented component units, the "Refunds and Other Liabilities" balance reported, as of June 30, 2015, is comprised largely of payables similar to the primary government, such as refund and security deposits, compensated absences, capital leases, and other miscellaneous payables.

NOTE 7 INTERFUND BALANCES AND TRANSFERS AND SIGNIFICANT TRANSACTIONS WITH COMPONENT UNITS

A. Interfund Balances

Interfund balances, as of June 30, 2015, consist of the following (in thousands):

	Due To
	Governmental Activities
Due from	Nonmajor Governmental Funds
Nonmajor Governmental Funds	$ 1,297
Total Primary Government	$ 1,297

	Business-Type Activities					
	Major Proprietary Funds					
Due from	Workers' Compensation	Lottery Commission	Unemployment Compensation	Nonmajor Proprietary Funds	Total	Total Primary Government
Major Governmental Funds:						
General	$ 469,875	$ -	$ -	$ 8,715	$ 478,590	$ 478,590
Job, Family and Other Human Services	13,963	-	-	-	13,963	13,963
Nonmajor Governmental Funds	158,705	1,518	1,643	-	161,866	163,163
Total Governmental Activities	642,543	1,518	1,643	8,715	654,419	655,716
Business-Type Activities:						
Major Proprietary Funds:						
Lottery Commission	1,485	-	-	-	1,485	1,485
Nonmajor Proprietary Funds	7,616	-	-	-	7,616	7,616
Total Business-Type Activities	9,101	-	-	-	9,101	9,101
Total Primary Government	$ 651,644	$ 1,518	$ 1,643	$ 8,715	$ 663,520	$ 664,817

Interfund balances result from the time lag between dates that 1) interfund goods and services are provided or reimbursable expenditures/expenses occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

The State's primary government is permitted to pay its workers' compensation liability on a terminal-funding (pay-as-you-go) basis. As a result, the Workers' Compensation Enterprise Fund recognized $651.6 million as an interfund receivable for the unbilled premium due for the primary government's share of the Bureau's actuarially determined liability for compensation. In the Statement of Net Position, the State includes the liability in the internal balance reported for governmental activities.

NOTE 7 INTERFUND BALANCES AND TRANSFERS AND SIGNIFICANT TRANSACTIONS WITH COMPONENT UNITS (Continued)

B. Interfund Transfers

Interfund transfers, for the fiscal year ended of June 30, 2015, consist of the following (dollars in thousands):

	Transferred to			
	Governmental Activities			
	Major Governmental Funds			
Transferred from	General	Job, Family & Other Human Services	Nonmajor Governmental Funds	Total
Major Governmental Funds:				
General	$ -	$ 2,226	$ 2,041,746	$ 2,043,972
Job, Family and Other Human Services	-	-	45,673	45,673
Buckeye Tobacco Settlement Financing Authority Revenue Bonds	-	-	13,771	13,771
Nonmajor Governmental Funds	321,156	-	138,321	459,477
Total Governmental Activities	321,156	2,226	2,239,511	2,562,893
Major Proprietary Funds:				
Workers' Compensation	-	-	8,796	8,796
Lottery Commission	-	-	1,094,488	1,094,488
Unemployment Compensation	-	-	7,039	7,039
Total Business-Type Activities	-	-	1,110,323	1,110,323
Total Primary Government	$ 321,156	$ 2,226	$ 3,349,834	$ 3,673,216

	Business-Type Activities	
Transferred from	Nonmajor Proprietary Funds	Total Primary Government
Major Governmental Funds:		
General	$ 28,262	$ 2,072,234
Job, Family and Other Human Services	-	45,673
Buckeye Tobacco Settlement Financing Authority Revenue Bonds	-	13,771
Nonmajor Governmental Funds	-	459,477
Total Governmental Activities	28,262	2,591,155
Major Proprietary Funds:		
Workers' Compensation	-	8,796
Lottery Commission	-	1,094,488
Unemployment Compensation	-	7,039
Total Business-Type Activities	-	1,110,323
Total Primary Government	$ 28,262	$ 3,701,478

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts, to the debt service fund as the debt service payments become due, and 3) utilize unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budget authorizations.

NOTE 7 INTERFUND BALANCES AND TRANSFERS AND SIGNIFICANT TRANSACTIONS WITH COMPONENT UNITS (Continued)

C. Discretely Presented Component Units

For fiscal year 2015, the discretely presented component units reported $2.43 billion in state assistance revenue from the primary government in the Statement of Activities.

Included in "Primary, Secondary, and Other Education" expenses reported for the governmental activities, is the funding that the primary government provided to the Ohio Facilities Construction Commission for capital construction at local school districts. The primary government also transferred bond proceeds to the Ohio Facilities Construction Commission to pay the State's share of the cost of rebuilding elementary and secondary school facilities across the State.

Additionally, the primary government provided financial support to the colleges and universities in the form of state appropriations for instructional and non-instructional purposes and capital appropriations for construction. This assistance is included in "Higher Education Support" expenses reported for governmental activities.

Details of balances and activity reported in the government-wide financial statements between the primary government and its discretely presented component units are summarized below.

Primary Government
(dollars in thousands)

			Program Expenses for State Assistance to Component Units			
	Receivable from the Component Units	Payable to the Component Units	Primary, Secondary, and Other Education Function	Higher Education Support Function	Transportation Function	Total State Assistance to the Component Units
Major Governmental Funds:						
General	$ 487	$ 25,708	$ 524,181	$ 1,725,221	$ 2,487	$ 2,251,889
Job, Family and Other Human Services	-	707	-	-	-	-
Nonmajor Governmental Funds	30,021	7,070	-	173,456	-	173,456
Total Governmental Activities	30,508	33,485	524,181	1,898,677	2,487	2,425,345
Total Primary Government	$ 30,508	$ 33,485	$ 524,181	$ 1,898,677	$ 2,487	$ 2,425,345

Discretely Presented Component Units
(dollars in thousands)

	Receivable from the Primary Government	Payable to the Primary Government	Total State Assistance from the Primary Government
Major Discretely Presented Component Units:			
Ohio Facilities Construction Commission	$ -	$ -	$ 524,181
Ohio State University	2,159	-	476,692
Nonmajor Discretely Presented Component Units	31,215	19,004	1,424,472
Total Discretely Presented Component Units	$ 33,374	$ 19,004	$ 2,425,345

NOTE 8 CAPITAL ASSETS

A. Primary Government

Capital asset activity, for the year ended June 30, 2015, reported for the primary government was as follows (dollars in thousands):

	Primary Government			
	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 2,283,721	$ 40,941	$ (962)	$ 2,323,700
Buildings	61,372	1,092	-	62,464
Land Improvements	1,416	-	-	1,416
Construction-in-Progress	1,389,879	540,974	(216,008)	1,714,845
Infrastructure:				
Highway Network:				
General Subsystem	8,568,626	29,497	(3,540)	8,594,583
Priority Subsystem	8,455,171	14,243	-	8,469,414
Bridge Network	2,893,240	11,405	(55,529)	2,849,116
Total Capital Assets Not Being Depreciated	23,653,425	638,152	(276,039)	24,015,538
Other Capital Assets:				
Buildings	3,619,524	124,895	(78,218)	3,666,201
Land Improvements	465,309	11,686	(7,136)	469,859
Machinery and Equipment	943,612	535,853	(55,857)	1,423,608
Vehicles	365,508	50,730	(29,608)	386,630
Infrastructure:				
Parks, Recreation and Natural Resources Network	116,642	2,725	(7,720)	111,647
Total Other Capital Assets at Historical Cost	5,510,595	725,889	(178,539)	6,057,945
Less Accumulated Depreciation for:				
Buildings	2,112,998	98,704	(39,249)	2,172,453
Land Improvements	298,474	16,110	(4,499)	310,085
Machinery and Equipment	703,256	118,475	(47,860)	773,871
Vehicles	191,668	61,744	(25,300)	228,112
Infrastructure:				
Parks, Recreation and Natural Resources Network	27,332	4,290	-	31,622
Total Accumulated Depreciation	3,333,728	299,323	(116,908)	3,516,143
Other Capital Assets, Net	2,176,867	426,566	(61,631)	2,541,802
Governmental Activities - Capital Assets, Net	$ 25,830,292	$ 1,064,718	$ (337,670)	$ 26,557,340
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 11,994	$ -	$ -	$ 11,994
Construction-In Progress	61,114	22,558	-	83,672
Total Capital Assets Not Being Depreciated	73,108	22,558	-	95,666
Other Capital Assets:				
Buildings	209,313	59	-	209,372
Land Improvements	66	-	-	66
Machinery and Equipment	158,287	22,524	(5,601)	175,210
Vehicles	3,181	313	(424)	3,070
Total Other Capital Assets at Historical Cost	370,847	22,896	(6,025)	387,718
Less Accumulated Depreciation for:				
Buildings	159,535	6,964	-	166,499
Land Improvements	59	1	-	60
Machinery and Equipment	137,381	10,719	(5,574)	142,526
Vehicles	1,818	298	(376)	1,740
Total Accumulated Depreciation	298,793	17,982	(5,950)	310,825
Other Capital Assets, Net	72,054	4,914	(75)	76,893
Business-Type Activities - Capital Assets, Net	$ 145,162	$ 27,472	$ (75)	$ 172,559

NOTE 8 CAPITAL ASSETS (Continued)

For fiscal year 2015, the State charged depreciation expense to the following functions (dollars in thousands):

Governmental Activities:	***Depreciation Expense***
Primary, Secondary and Other Education	$ 1,316
Higher Education Support	6
Public Assistance and Medicaid	66,428
Health and Human Services	16,709
Justice and Public Protection	98,333
Environmental Protection and Natural Resources	19,151
Transportation	151,347
General Government	58,552
Community and Economic Development	7,322
Total Depreciation Expense for Governmental Activities	419,164
Gains (Losses) on Capital Asset Disposals Included in Depreciation	(119,841)
Fiscal Year 2015 Increases to Accumulated Depreciation	$ 299,323
Business-Type Activities:	
Workers' Compensation	$ 8,790
Lottery Commission	8,637
Tuition Trust Authority	40
Office of Auditor of State	393
Total Depreciation Expense for Business-Type Activities	17,860
Gains (Losses) on Capital Asset Disposals Included in Depreciation	122
Fiscal year 2015 Increase to Accumulated Depreciation	$ 17,982

As of June 30, 2015, the State considered the following governmental capital asset balances as being temporarily impaired and removed from service (dollars in thousands).

Governmental Activities:	***Net Book Value***
Temporarily Impaired Assets Removed from Service:	
Buildings	$ 13,198
Land Improvements	225
Total	$ 13,423

NOTE 8 CAPITAL ASSETS (Continued)

B. Major Discretely Presented Component Units

Capital asset activity, for the year ended June 30, 2015, reported for major discretely presented component unit funds with significant capital asset balance was as follows (dollars in thousands):

	Major Discretely Presented Component Units			
	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Ohio State University:				
Capital Assets Not Being Depreciated:				
Land	$ 74,720	$ 23,648	$ (609)	$ 97,759
Construction-in-Progress	1,211,662	562,286	(1,441,020)	332,928
Patents and Trademarks	18,413	-	-	18,413
Total Capital Assets Not Being Depreciated	1,304,795	585,934	(1,441,629)	449,100
Other Capital Assets:				
Buildings	4,640,942	1,025,531	(10,163)	5,656,310
Land Improvements	516,610	222,501	(451)	738,660
Machinery, Equipment and Vehicles	1,164,325	261,288	(57,965)	1,367,648
Library Books and Publications	171,669	6,609	(525)	177,753
Total Other Capital Assets at Historical Cost	6,493,546	1,515,929	(69,104)	7,940,371
Less Accumulated Depreciation for:				
Buildings	2,018,867	188,889	(8,099)	2,199,657
Land Improvements	221,215	28,276	(451)	249,040
Machinery, Equipment and Vehicles	838,745	121,168	(55,903)	904,010
Library Books and Publications	150,272	3,863	(524)	153,611
Total Accumulated Depreciation	3,229,099	342,196	(64,977)	3,506,318
Other Capital Assets, Net	3,264,447	1,173,733	(4,127)	4,434,053
Total Capital Assets, Net	$ 4,569,242	$ 1,759,667	$ (1,445,756)	$ 4,883,153

For fiscal year 2015, Ohio State University reported approximately $342.2 million in depreciation expense.

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS

All part-time and full-time employees and elected officials of the State, including its component units (unless otherwise excluded in Ohio Revised Code), are eligible to be covered by one of the following retirement plans:

- Ohio Public Employees Retirement System
- State Teachers Retirement System of Ohio
- State Highway Patrol Retirement System
- Alternative Retirement Plan

A. Ohio Public Employees Retirement System (OPERS)

Pension Benefits

OPERS is a cost-sharing, multiple-employer public employee retirement system that administers three separate pension plans – a defined benefit plan, a defined contribution plan, and a combined plan with features of both the defined benefit plan and the defined contribution plan.

OPERS issues a stand-alone financial report, copies of which may be obtained by visiting https://www.opers.org/investments/cafr.shtml, making a written request to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or calling (800) 222-7377 or (614) 222-5601.

As established under Chapter 145, Ohio Revised Code, OPERS provides retirement and disability benefits, annual cost-of-living adjustments, and survivor and death benefits to plan members and beneficiaries enrolled in the defined benefit and combined plans.

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

Most employees who are members of OPERS and who have fewer than five total years of service credit as of December 31, 2002, and new employees hired on or after January 1, 2003, are eligible to select one of the OPERS retirement plans, as listed above, in which they wish to participate. Members not eligible to select a plan include law enforcement officers, (who must participate in the defined benefit plan), college and university employees who choose to participate in one of the university's alternative retirement plans (see NOTE 9D), and re-employed OPERS retirees. Participants may change their selection once prior to attaining five years of service credit, once after attaining five years of service credit but prior to attaining ten years of service credit, and once after attaining ten years of service credit.

Senate Bill 343 was enacted into law with an effective date of January 7, 2013. The pension changes included in the bill modify the retirement eligibility criteria and benefits to provide for longer life expectancies of members. The pension plan design changes also include updated benefits to the disability program, which addresses eligibility for members to return to work. Other changes include updated provisions such as the cost of purchasing service credit and the impact of retiring early with a reduced retirement benefit.

In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. Members eligible to retire under the law in effect prior to Senate Bill 343 or who will be eligible to retire no later than five years after January 7, 2013, comprise Transition Group A. Members with 20 years of service credit prior to January 7, 2013, or who will be eligible to retire no later than 10 years after January 7, 2013, are included in Transition Group B. Those members who are not in either Group A or B or were hired after January 7, 2013, are in Transition Group C.

Members in Transition Groups A and B are eligible to retire at age 55 with 25 years of credited service, or at or after age 60 with 60 contributing months of credited service. Members in Transition Group C are eligible to retire at age 57 with 25 years of service credit or at age 62 with 5 years of service credit. Regular employees retiring before meeting age and service credit eligibility requirements receive a percentage reduction in benefit amounts. Law enforcement employees may retire at age 52 with 15 or more years of credited service.

The retirement allowance for the defined benefit plan is calculated on the basis of age, years of credited service, and the final average salary. The annual allowance for regular employees is determined by multiplying the final average salary by 2.2 percent for each year of Ohio contributing service up to 30 years and by 2.5 percent for all other years in excess of 30 years of credited service. The annual allowance for law enforcement employees is determined by multiplying the final average salary by 2.5 percent for the first 25 years of Ohio contributing service, and by 2.1 percent for each year of service over 25 years. Retirement benefits increase three percent annually of the original base amount regardless of changes in the Consumer Price Index.

The retirement allowance for the defined benefit portion of the combined plan is calculated on the basis of age, years of credited service, and the final average salary. The annual allowance for regular employees is determined by multiplying the final average salary by one percent for each year of Ohio contributing service up to 30 years and by 1.25 percent for all other years in excess of 30 years of credited service. Retirement benefits for the defined benefit portion of the plan increase three percent annually of the original base amount regardless of changes in the Consumer Price Index. Additionally, retirees receive the proceeds of their individual retirement plans in a manner similar to retirees in the defined contribution plan, as discussed below.

Regular employees who participate in the defined contribution plan may retire after they reach the age of 55. The retirement allowance for the defined contribution plan is based entirely on the total member and vested employer contributions to the plan, plus or minus any investment gains or losses. Employer contributions vest at a rate of 20 percent per year over a five-year vesting period. Retirees may choose from various payment options including monthly annuities, partial lump-sum payments, payments for a guaranteed period, payments for a specific monthly amount, or various combinations of these options. Participants direct the investment of their accounts by selecting from professionally managed OPERS investment options.

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

Retirees covered under any one of the three OPERS plan options may also choose to take part of their retirement benefit in a Partial Lump-Sum Option Plan (PLOP). Under this option, the amount of the monthly pension benefit paid to the retiree is actuarially reduced to offset the amount received initially under the PLOP. The amount payable under the PLOP cannot be less than six times or more than 36 times the monthly amount that would be payable to the member under the plan of payment selected, and cannot result in a monthly allowance that is less than 50 percent of that monthly amount.

Employer and employee required contributions to OPERS are established by the Retirement Board and are within the limits authorized by the Ohio Revised Code. The contribution rates are based on percentages of covered employees' gross salaries, which are calculated annually by the retirement system's actuaries. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for regular employees and 18.1 percent of covered payroll for law enforcement employees.

Contribution rates for fiscal year 2015, which are the same for the defined benefit, defined contribution, and combined plans, were as follows:

	Contribution Rates	
	Employee Share	Employer Share
Regular Employees:		
July 1, 2014 through June 30, 2015	10.00%	14.00%
Law Enforcement Employees:		
July 1, 2014 through June 30, 2015	13.00%	18.10%

In the combined plan, the employer's share finances the defined benefit portion of the plan, while the employee's share finances the defined contribution portion of the plan. In the defined contribution plan, both the employee and employer share of the costs are used to finance the plan.

At June 30, 2015, the State reports a liability of $2.5 billion for its proportionate share of the net pension liability for the Traditional Plan and an asset for its proportionate share of the net pension asset of $7.6 million for the Combined Plan. Ohio Facilities Construction Commission and Ohio State University Discretely Presented Component Units reports liabilities of $5.1 million and $1.05 billion, for their proportionate shares of the net pension liability for the Traditional Plan. Ohio Facilities Construction Commission Discretely Presented Component Unit also reports an asset of $25 thousand for its proportionate share of the net pension asset for the Combined Plan. The net pension asset/liability was measured as of December 31, 2014. The total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of December 31, 2014. The State's proportion of the net pension asset/liability is determined by a measure of the State's proportionate relationship of employer contributions made to OPERS to the total contributions made to OPERS by all employers and non-employer contributing entities to the plan. The State's proportion of the net asset/liability is based on the State's long-term share of contributions to the plan as compared to the total projected long-term contributions of employers and all non-employer contributing entities. At December 31, 2014, the State's proportion was 20.73 percent for the Traditional Plan and 20.23 percent for the Combined Plan. The proportions for the Traditional Plan and Combined Plan for Ohio Facilities Construction Commission Discretely Presented Component Unit were .04 percent and .06 percent, respectively. The proportion for the Traditional Plan for Ohio State University Discretely Presented Component Unit was 8.8 percent.

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

For the year ended June 30, 2015, the State recognized pension expense of $279.6 million, Ohio Facilities Construction Commission recognized $569 thousand, and Ohio State University Discretely Presented Component Unit recognized $151.8 million. At June 30, 2015, the State reports deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government	Ohio Facilities Construction Commission	Ohio State University
Deferred Outflow of Resources:			
Net Difference between Projected and Actual Earnings on Pension Plan investments	$ 133,001	$ 271	$ 57,206
Contributions subsequent to the measurement date	203,601	415	84,922
Total	$ 336,602	$ 686	$ 142,128
Deferred Inflow of Resources:			
Changes in Proportion and Differences Between State Contributions and Proportionate Share of Contributions	$ (97)	$ -	$ -
Differences between expected and actual experience	(46,843)	(96)	(20,512)
Total	$ (46,940)	$ (96)	$ (20,512)

Deferred Outflows of Resources of $203.6 million related to pensions resulting from State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Ohio Facilities Construction Commission and Ohio State University Discretely Presented Component Units will recognize $415 thousand and $84.9 million, respectively, as reduction of their net pension liabilities. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in pension expense as follows:

	Primary Government	Ohio Facilities Construction Commission	Ohio State University
YEAR ENDED JUNE 30:			
2016	$ 12,710	$ 26	$ 5,453
2017	12,583	26	5,452
2018	29,281	60	12,643
2019	32,699	67	14,088
2020	(275)	(1)	(214)
Thereafter	(937)	(3)	(728)

Actuarial Assumptions:
The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Traditional Plan	Combined Plan	
Inflation	3.75	3.75	Percent
Salary Increases	4.25-10.05	4.25-8.05	Percent
Investment Rate of Return	8.00	8.00	Percent
COLA	3.00	3.00	Percent
Actuarial Cost Method	Individual Entry Age		

Mortality rates were based on the RP-2000 Combined Mortality Table for males or females, as appropriate, with adjustments for mortality improvements based on Projection Scale AA.

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study dated December 31, 2010.

An estimate range for investment return assumption is developed and based on the target allocation adopted by the OPERS Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed Income	23.00%	2.31%
Domestic Equity	19.90%	5.84%
Real Estate	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	19.10%	7.40%
Other Investments	18.00%	4.59%
Total Fund	100.00%	5.28%

*10-year annualized geometric nominal returns, which include the real rate of return and inflation and does not include investment expenses.

Discount Rate - The discount rate used to measure the total pension liability was 8%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at statutory contribution rates. In each period of the projection, employer contributions were assumed to be applied first to the service cost of all members, with any remaining amount included in projected employer contributions for current members. Therefore, the long-term expected rate of return of 8% was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2014.

Sensitivity of the State's proportionate share of the Net Pension Liability to changes in the Discount Rate – The following table represents the net pension liability as of December 31, 2014, calculated using the current period discount rate assumption of 8%. Also shown is what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7%) or one percentage point higher (9%) than the current assumption:

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Net Pension Liability:			
Primary Government	$ 4,592,661	$ 2,496,359	$ 730,833
Ohio Facilities Construction Commission	$ 9,306	$ 5,058	$ 1,481
Ohio State University	$ 1,955,831	$ 1,059,519	$ 304,734

Additional information regarding the pension plan fiduciary net position is available in the separately issued OPERS financial report by visiting the OPERS Web site at https://www.opers.org/investments/cafr.shtml .

Other Postemployment Benefits (OPEB)

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the defined benefit and combined plans. Members of the defined contribution plan do not qualify for ancillary benefits, including post-employment healthcare coverage.

In order to qualify for post-employment healthcare coverage, age-and-service retirees under the defined benefit and combined plans must have ten or more years of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The healthcare coverage provided by OPERS meets the definition of an OPEB as described in GASB Statement 45.

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible recipients. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement healthcare through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement healthcare benefits.

Employer contribution rates are expressed as a percentage of covered payroll of active members. For fiscal year 2015, state employers contributed at a rate of 14 percent of covered payroll and law enforcement employers contributed at 18.1 percent. These are the maximum contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of postemployment healthcare benefits. The contribution rates for regular and law enforcement employees were as follows:

	Employer Share	
	Defined Benefit Plan	Combined Plan
July 1, 2014 through June 30, 2015	2.00%	2.00%

The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the healthcare benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under Senate Bill 343 and the approved healthcare changes, OPERS expects to be able to consistently allocate four percent of the employer contributions toward the healthcare fund after the end of the transition period.

Employer contributions required and made for the last three fiscal years for the defined benefit plan and the defined benefit portion of the combined plan were as follows (dollars in thousands):

	2015	2014	2013
Primary Government:			
Regular Employees	$ 51,394	$ 38,693	$ 69,437
Law Enforcement Employees	608	447	757
Total	$ 52,002	$ 39,140	$ 70,194
Major Discretely Presented Component Units:			
Ohio Facilities Construction Commission	$ 107	$ 81	$ 136
Ohio State University	23,400	17,016	27,816

Members of the defined contribution plan may access a Retiree Medical Account upon retirement. During fiscal year 2015, employers paid 4.5 percent of their share into members' accounts. Currently, an employee's interest in the medical account for qualifying healthcare expenses vests on the basis of length of service, with 100 percent vesting attained after five years of credited service for employees hired prior to July 1, 2015. Members who elect the member-directed plan after July 1, 2015, will vest at 15 years of service at a rate of 10 percent each year starting with the sixth year of participation. Employers make no further contributions to a member's medical

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

account after retirement, nor do employers have any further obligation to provide postemployment healthcare benefits.

Employer contributions required and made for the last three fiscal years for the defined contribution plan were as follows (dollars in thousands):

	2015	2014	2013
Primary Government	$ 1,684	$ 1,208	$ 2,011
Major Discretely Presented Component Units:			
Ohio State University	$ 1,026	$ 736	$ 1,075

The number of active contributing participants for the primary government was 65,398 as of June 30, 2015.

Early Retirement Incentives (ERI)

State agencies, or departments within agencies, may offer voluntary ERI under Section 145.297, Ohio Revised Code. Through the ERI Program, the State can offer to purchase up to a maximum of five years worth of service credit from OPERS on behalf of employees who would then meet the age and service requirements to qualify for retirement. The ERI plan must remain in effect for at least one year and the employees must be given at least thirty days' notice before terminating the plan.

State agencies are also required under Section 145.298, Ohio Revised Code, to offer a generally similar ERI when terminating a number of employees that equals or exceeds the lesser of 350 employees or 40 percent of the agency's workforce, as a result of a closure of the agency or a lay-off within a six-month period. Under these circumstances, qualifying employees must decide whether to accept the offer in the time between the announcement of the layoffs and the effective date. The amount of service credit offered cannot exceed five years.

The ERI agreements establish an obligation to pay specific amounts on fixed dates. State agencies that implement an ERI must pay their obligation to OPERS within a maximum of two years after the agreement is finalized, so the State does not discount the amount of the liability incurred under the agreement.

As of June 30, 2015, the State had no significant liability balances relative to existing ERI agreements with state employees covered by OPERS. During fiscal year 2015, the State did not incur any significant expenditures/expenses related to ERI agreements.

B. State Teachers Retirement System of Ohio (STRS)

Pension Benefits

STRS is a cost-sharing, multiple-employer public employee retirement system that administers three separate pension plans – a defined benefit plan, a defined contribution plan, and a combined plan with features of both the defined benefit plan and the defined contribution plan. STRS benefits are established under Chapter 3307, Ohio Revised Code.

STRS also provides death, survivors', disability, healthcare, and supplemental benefits to members in the defined benefit and combined plans.

STRS issues a stand-alone financial report, copies of which may be obtained by making a written request to State Teachers Retirement System of Ohio, Attention: Chief Financial Officer, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org/publications/annualreports/cafrs.html .

The Ohio Legislature passed Substitute Senate Bill 342 in September 2012. The pension reform bill went into effect January 2013 with most plan changes starting July 1, 2013 or later. Changes to the pension plan include

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

increasing the age and service requirements for retirement, increasing the period for determining final average salary, changing to a lower fixed benefit formula, increasing the member contributions to the system, and reducing the cost-of-living adjustment.

Participants in the defined benefit plan may retire after 30 years of credited service regardless of age, or at or after age 55 with 25 years of credited service, or at or after age 60 with five years of credited service. Members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit amounts. Retirees are entitled to a maximum annual retirement benefit, payable in monthly installments for life, equal to the greater of the "formula benefit" calculation or the "money-purchase benefit" calculation. Beginning August 1, 2015, eligibility requirements for an unreduced benefit will change.

Under the "formula benefit" calculation, the retirement allowance is based on years of credited service and the final average salary, which is the average of the member's three highest salary years. The annual allowance is determined by multiplying the final average salary by 2.2 percent for the first 30 years of credited service. Each year over 30 years is incrementally increased by .1 percent, starting at 2.5 percent for the 31st year of contributing service up to a maximum allowance of 100 percent of final average salary. Upon reaching 35 years of Ohio service, the first 31 years of Ohio contributing service are multiplied by 2.5 percent, and each year over 31 years is incrementally increased by .1 percent starting at 2.6 percent for the 32nd year.

Under the "money-purchase benefit" calculation, a member's lifetime contributions, plus interest at specified rates, are matched by an equal amount from contributed employer funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance. Benefits are increased annually by three percent of the original base amount. Effective August 1, 2013, the money purchase benefit was eliminated.

Retirees can also choose a "partial lump-sum" option plan. Under this option, retirees may take a lump-sum payment that equals from six to 36 times their monthly service retirement benefit. Subsequent monthly benefits are reduced proportionally.

Employees hired after July 1, 2001, and those with less than five years of service credit at that date, may choose to participate in the combined plan or the defined contribution plan, in lieu of participation in the defined benefit plan.

Participants in the defined contribution plan are eligible to retire at age 50. Employee and employer contributions are placed into individual member accounts, and members direct the investment of their accounts by selecting from various professionally managed investment options. Retirees may choose to receive either a lump-sum distribution or a monthly annuity for life. Employer contributions become vested after one year of service, while employee contributions vest immediately.

Participants in the combined plan may start to collect the defined benefit portion of the plan at age 60 with five years of service. The annual allowance is determined by multiplying the final average salary by one percent for each year of Ohio contributing service credit. Participants in the combined plan may also participate in the partial lump-sum option plan, as described previously, for the portion of their retirement benefit that is provided through the defined benefit portion of the plan. The defined contribution portion of the plan may be taken as a lump sum or as a lifetime monthly annuity.

A retiree of STRS or any other Ohio public retirement system is eligible for re-employment as a teacher after two months from the date of retirement. Members and the employer make contributions during the period of re-employment. Upon termination or the retiree reaches the age of 65, whichever comes later, the retiree is eligible for an annuity benefit or a lump-sum payment in addition to the original retirement allowance. Alternatively, the retiree may receive a refund of member contributions with interest before age 65, once employment is terminated.

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

Employer and employee required contributions to STRS are established by the Board and limited under the Ohio Revised Code to employer and employee rates of 14 percent and are based on percentages of covered employees' gross salaries, which are calculated annually by the retirement system's actuary.

Contribution rates for fiscal year 2015 were 14 percent for employers and 12 percent for employees for the defined benefit, defined contribution, and combined plans. For the defined benefit and combined plans, all employer contributions are used to fund pension obligations. For the defined contribution plan, 9.5 percent of the employer's share is deposited into individual employee accounts, while 4.5 percent is paid to the defined benefit plan.

At June 30, 2015, the State reports a liability of $99.4 million for its proportionate share of the net pension liability. Ohio State University Discretely Presented Component Unit reports a liability of $1.1 billion for its proportionate share. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The State's proportion of the net pension liability is determined by a measure of the State's proportionate relationship of employer contributions made to STRS to the total contributions made to STRS by all employers and non-employer contributing entities to the plan. The State's proportion of the net liability is based on the State's long-term share of contributions to the plan as compared to the total projected long-term contributions of employers and all non-employer contributing entities. At June 30, 2014, the State's proportion was 0.409 percent and Ohio State University Discretely Presented Component Unit's proportion was 4.4 percent.

For the year ended June 30, 2015, the State recognized pension expense of $4.6 million and Ohio State University Discretely Presented Component Unit recognized $50.5 million. At June 30, 2015, the State and Ohio State University Discretely Presented Component Unit report deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (dollars in thousands):

	Primary Government	Ohio State University
Deferred Outflows of Resources		
Differences Between Expected and Actual Experience	$ 957	$ 10,310
Contributions subsequent to measurement date	5,710	66,547
Total	$ 6,667	$ 76,857
Deferred Inflows of Resources		
Net Difference between Projected and Actual Earnings on Pension Plan investments	$ (18,395)	$ (198,123)
Total	$ (18,395)	$ (198,123)

Deferred Outflows of Resources of $5.7 million related to pensions resulting from State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Ohio State University Discretely Presented Component Unit will recognize $66.6 million as reduction of its net pension liability. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in pension expense as follows:

	Primary Government	Ohio State University
YEAR ENDED JUNE 30:		
2016	$ (4,359)	$ (46,953)
2017	(4,359)	(46,953)
2018	(4,359)	(46,953)
2019	(4,359)	(46,953)

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

Actuarial Assumptions:
The Total Pension Liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75	percent
Salary Increases	12.25	percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.75	percent, net of pension plan investment expense, including inflation
COLA or Ad Hoc COLA	N/A	
Actuarial Cost Method	Entry Age	

Mortality rates were based on the RP-2000 Combined Mortality Table for males or females, as appropriate, with adjustments for mortality improvements based on Projection 2022-Scale AA.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study dated July 1, 2012.

An estimate range for investment return assumption is developed and based on the target allocation adopted by the STRS Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	31%	8.00%
International Equity	26%	7.85%
Alternatives	14%	8.00%
Fixed Income	18%	3.75%
Real Estate	10%	6.75%
Liquidity Reserves	1%	3.00%
Total Fund	100%	7.61%

*10-year annualized geometric nominal returns, which include the real rate of return and inflation and does not include investment expenses.

Discount Rate - The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at statutory contribution rates. In each period of the projection, employer contributions are assumed to be applied first to the service cost of all members, with any remaining amount included in projected employer contributions for current members. Therefore, the long-term expected rate of return of 7.75% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014.

Sensitivity of the State's proportionate share of the Net Pension Liability to changes in the Discount Rate – The following table represents the net pension liability as of June 30, 2015, calculated using the current period discount rate assumption of 7.75%. Also shown is what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current assumption:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Primary Government	$ 142,346	$ 99,431	$ 63,139
Ohio State University Discretely Presented Component Unit	$ 1,533,130	$ 1,070,914	$ 680,034

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

Additional information regarding the pension plan fiduciary net position is available in the separately issued STRS financial report by visiting the STRS Web site at www.strsoh.org/publications/annualreports/cafrs.html .

Other Postemployment Benefits (OPEB)

Ohio law authorizes STRS to offer a cost-sharing, multiple-employer healthcare plan. STRS provides access to healthcare to eligible retirees who participate in the defined benefit plan or combined plan. Benefits include hospitalization, physician's fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Retirees enrolled in the defined contribution plan receive no post-employment healthcare benefits.

Chapter 3307, Ohio Revised Code, gives the STRS board discretionary authority over how much, if any, of associated healthcare costs are absorbed by the healthcare plan. All benefit recipients, for the most recent year, pay a portion of the healthcare costs in the form of a monthly premium.

Under Ohio law, funding for the post-employment healthcare may be deducted from employer contributions. Of the 14 percent employer contribution rate, one percent of the covered payroll was allocated to post-employment healthcare for the fiscal years ending June 30, 2013 and 2014. Effective July 1, 2014, zero percent of covered payroll is allocable to postemployment healthcare. The 14 percent employer contribution rate is the maximum rate established under Ohio law.

The employer contribution is financed on a pay-as-you-go basis. As of June 30, 2014 (the most recent information available), net position available for future healthcare benefits were $3.58 billion. Employer contributions required and made for the last three fiscal years for the defined benefit and the defined benefit portion of the combined plans were as follows (dollars in thousands):

	2015	2014	2013
Primary Government	$ -	$ 414	$ 432
Major Discretely Presented Component Units:			
Ohio State University	$ -	$ 3,387	$ 3,446

The number of eligible benefit recipients for STRS as a whole was 169,244 as of June 30, 2014 (the most recent information available); a breakout of the number of eligible recipients for the primary government and its component units, as of June 30, 2015, is unavailable.

C. State Highway Patrol Retirement System (SHPRS)

Pension Benefits

SHPRS, a component unit of the State, was established in 1941 by the General Assembly as a single-employer, defined benefit pension plan and is administered by the State. The plan covers all employees of the State Highway Patrol.

The plan issues a stand-alone financial report that includes financial statements and required supplementary information, and the State reports the plan as a pension trust fund. Copies of the financial report may be obtained by writing to the Ohio State Highway Patrol Retirement System, 1900 Polaris Parkway, Suite 201, Columbus, Ohio 43240-4037, or by calling (614) 431-0781.

SHPRS is authorized under Chapter 5505, Ohio Revised Code, to provide retirement and disability benefits to retired members and survivor benefits to qualified dependents of deceased members of the Ohio State Highway Patrol. In addition to providing pension benefits, SHPRS is authorized by Chapter 5505, Ohio Revised Code, to provide a post-employment healthcare plan, which is considered to be an other post-employment benefit.

Chapter 5505, Ohio Revised Code, requires contributions by active members and the Ohio State Highway Patrol. The employer and employee contribution rates are established by the General Assembly, and any change in the rates requires legislative action. By law, the employer rate may not exceed three times the employee contribution rate, nor be less than nine percent of the total salaries of contributing members.

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

Substitute Senate Bill 345 was signed into law in September 2012. The main components of the bill grant the SHPRS Board authority to set employee contribution rates and cost-of-living adjustment rates. Employee contribution rates will range between ten and 14 percent and cost-of-living adjustments will range between zero and three percent. The bill also increases the final average salary period from three years to five years for members retiring after 2014. The cost-of-living adjustment eligibility age increases from 53 years to 60 years of age. The cost-of-living adjustment for 2014 was set at one and one-half percent, while the cost-of-living adjustment for 2015 is set at one and one-quarter percent.

SHPRS' financial statements are prepared using the accrual basis of accounting, under which expenses are recorded when the liability is incurred and revenues are recorded when they are earned and become measureable.

All investments are reported at fair value. Fair value is "the amount that the plan can reasonably expect to receive for an investment in a current sale, between a willing buyer and a willing seller – that is, other than in a forced or liquidation sale."

Securities traded on a national exchange are valued at the last reported sales price at the current exchange rate. The fair value of real estate and private equity investments are based on information provided by the Fund's managers or by independent appraisals. For actuarial purposes, assets are valued with a method that amortizes the difference between actual and assumed return over a closed, four-year period.

Employees are eligible for pension and healthcare benefits upon reaching both an age and service requirement. Employees with at least 15 years of service credit, but less than 20 years of service credit, may retire at age 55. Employees with at least 20 years of service credit, but less than 25 years of service credit may retire at age 52 or age 48 with reduced benefits. Employees with more than 25 years of service may retire at age 48. Membership data for SHPRS is presented in the table below:

Membership Data as of December 31, 2014	
Active Members	1,622
Retirees receiving benefits	1,557
Retirees not receiving benefits	10
	3,189

The pension benefit is a percentage of the member's final average salary, which is the average of the member's three highest salary years. For members with at least 15 years of service credit, but less than 20 years of service credit, the percentage is determined by multiplying 1.5 percent times the number of years of service credit. For members with 20 or more years of service credit, the percentage is determined by multiplying 2.5 percent for the first 20 years of service, plus 2.25 percent for the next five years of service, plus two percent for each year in excess of 25 years of service. A member's pension may not exceed 79.25 percent of the final average salary.

The employer and employee contribution rates, as of December 31, 2014, were 26.5 percent and 11.5 percent, respectively.

During calendar year 2014, all of the employees' contributions funded pension benefits while 22.2 percent of the employer's contributions funded pension benefits. The difference in the total employer rates charged and the employer rates applicable to the funding of pension benefits is applied to the funding of postemployment healthcare benefits.

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

The State's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. The total pension liability at December 31, 2014 determined using the following actuarial assumptions, applied to all periods included in the measurement: an investment rate of return of eight percent compounded annually, projected salary increase of four percent attributable to inflation and additional projected salary increases ranging from 0.3 percent to ten percent attributable to seniority and merit, and price inflation of three percent annually. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Tables, projected to 2020 using Projection Scale AA.

The discount rate used to measure the total pension liability was eight percent. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at statutory contribution rates. In each period of the projection, employer contributions were assumed to be applied first to the service cost of all members, with any remaining amount included in projected employer contributions for current members. Therefore, the long-term expected rate of return of eight percent was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2014.

An estimate range for investment return assumptions is developed and based on the target allocation adopted by the SHPRS' Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Cash	0.0%	-0.1%
Domestic Equity - Large Cap	25.0%	5.7%
Domestic Equity - Small Cap	10.0%	6.5%
International Equity	15.0%	6.5%
Emerging Markets	5.0%	8.7%
Domestic Corporate Fixed Income	7.8%	1.5%
Domestic Government Fixed Income	7.8%	0.9%
Treasury Inflation Protected Securities	0.0%	1.0%
High Yield Bonds	3.5%	2.8%
Real Estate	5.0%	4.5%
Private Equity	10.0%	8.8%
Hedge Funds	8.0%	3.8%
Other Alternatives	3.0%	4.1%
Total Fund	100.0%	

*10-year annualized geometric nominal returns, which include the real rate of return and inflation and does not include investment

Regarding sensitivity of the State's proportionate share of the Net Pension Liability to changes in the Discount Rate, the following table (dollars in thousands) represents the net pension liability as of December 31, 2014, calculated using the current period discount rate assumption of eight percent. Also shown is what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current assumption.

State's Proportionate Share of the Net Pension Liability

1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
$ 414,090	$ 303,684	$ 211,233

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

Detailed information about SHPRS' pension plan fiduciary net position is available in the separately issued SHPRS financial report. The pension plan's fiduciary net position has been determined on the same basis used by the pension plan. SHPRS uses the accrual basis of accounting, under which expenses are recorded when incurred and revenues are recorded when earned and measurable. Member and employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded at the trade date.

The Schedule of Changes in Net Pension Liability is presented below (dollars in thousands).

Fiscal year ending December 31, 2014		
Total Pension Liability		
Service Cost	$	17,657
Interest on the Total Pension Liability		79,175
Benefit Payments		(64,526)
Refunds		(2,177)
Net Change in Total Pension Liability		30,129
Total Pension Liability - Beginning		1,014,217
Total Pension Liability - Ending (a)	$	1,044,346
Plan Fiduciary Net Position		
Employer Contributions	$	22,325
Employee Contributions		11,577
Pension Plan Net Investment Income		45,105
Benefit Payments		(64,526)
Refunds		(2,177)
Pension Plan Administrative Expense		(1,031)
Other		421
Net Change in Plan Fiduciary Net Position		11,694
Plan Fiduciary Net Position - Beginning		728,968
Plan Fiduciary Net Position - Ending (b)	$	740,662
Net Pension Liability - Ending (a) - (b)	$	303,684
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		70.9%
Covered Employee Payroll*		89,878
Net Pension Liability as a Percentage of Covered Employee Payroll		337.9%
Notes to Schedule:		N/A

*Reported 2014 payroll. Does not include members of the DROP.

For the year ended June 30, 2015, the State recognized pension expense of $31.7 million. At June 30, 2015, the State reports deferred outflows of resources related to pensions from the following sources:

Deferred Outflows of Resources		
Net Difference between Projected and Actual Earnings on Pension Plan investments	$	9,501
Contributions subsequent to the measurement date		13,360
Total	$	22,861

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

Deferred Outflows of Resources of $13.4 million related to pensions resulting from State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in pension expense as follows:

YEAR ENDED JUNE 30:		
2016	$	2,375
2017		2,375
2018		2,375
2019		2,376

Other Postemployment Benefits (OPEB)

The healthcare coverage provided by SHPRS is considered to be an OPEB as described in GASB Statement 45. Healthcare benefits are not guaranteed and are subject to change at any time. The OPEB valuation is based on the substantive plan as it is currently presented to plan members, including a historical pattern of cost-sharing between the plan and benefit recipients.

During calendar year 2014, 4.3 percent of the employer's contributions funded healthcare benefits. Active members do not make contributions to the OPEB plan. The cost of retiree healthcare benefits is recognized as claims are incurred and premiums are paid. The number of active contributing plan participants, as of December 31, 2014, was 1,622.

The State's annual OPEB cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities or funding excess over a period not to exceed thirty years. The components of the State's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the State's net OPEB obligation to SHPRS were as follows (dollars in thousands):

Annual Required Contribution (ARC)	$	24,533
Interest on Net OPEB Obligation		6,405
Adjustment to ARC		(4,936)
Annual OPEB Cost		26,002
Contributions Made		(4,973)
Increase (Decrease) in Net OPEB Obligation		21,029
Net OPEB Obligation, Beginning of Year		128,101
Net OPEB Obligation, End of Year	$	149,130

The State's annual OPEB cost, percentage of annual OPEB cost contributed, and net OPEB obligation for the last three calendar years, were as follows (dollars in thousands):

For the Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	$ 26,002	19.1%	$ 149,131
2013	25,520	16.1%	128,101
2012	24,955	8.7%	106,686

As of December 31, 2014, the most recent actuarial valuation, the plan was 27.6 percent funded. The actuarial accrued liability was $376.7 million, and the actuarial value of assets was $103.8 million, resulting in an unfunded actuarial liability (UAAL) of $272.9 million. The covered payroll (annual payroll of active employees covered by the plan) was $99.2 million, and the ratio of the UAAL to the covered payroll was 275 percent.

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

The Schedule of Funding Progress for OPEB, displayed in the following table, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time, relative to the actuarial accrued liabilities for benefits.

SHPRS Schedule of Funding Progress Last Three Calendar Years – OPEB
(dollars in thousands)

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Valuation Year	Actuarial Accrued Liability (AAL)	Valuation Assets	Unfunded Actuarial Accrued Liability (UAAL) (B)-(C)	Ratio of Assets to AAL (C)/(B)	Active Member Payroll	UAAL as Percentage of Active Member Payroll (D)/(F)
2014	$ 376,683	$ 103,813	$ 272,870	27.6%	$ 99,212	275.0%
2013	438,562	102,084	336,478	23.3%	98,520	341.5%
2012	411,468	99,818	311,650	24.3%	98,117	317.6%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing in the future. Actuarial calculations reflect a long-term perspective. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Healthcare benefits are advance funded by the employer using the entry-age, normal actuarial cost method for the Schedule of Funding Progress for the actuarial valuation, dated December 31, 2014, for OPEB. Assumptions used in preparing the Schedule of Funding Progress and in determining the annual required contribution include: a five percent rate of return on investments; projected salary increase of four percent attributable to inflation and additional projected salary increases ranging from .3 percent to ten percent a year attributable to seniority and merit; and an annual healthcare cost increase of nine percent annually, reduced by declining percentages ranging from 8.25 percent to four percent through 2029. There are no cost-of-living adjustments for OPEB benefits. Maximum contribution rates were not considered in the projection of actuarially accrued liabilities for OPEB benefits.

The unfunded actuarial accrued liability is being amortized using the level-percentage of projected payroll method over an open period of 30 years.

D. Alternative Retirement Plan (ARP)
Pension Benefits
The ARP is a defined contribution retirement plan that is authorized under Section 3305.02, Ohio Revised Code. The ARP provides at least three or more alternative retirement plans for academic and administrative employees of Ohio's institutions of higher education, who otherwise would be covered by OPERS or STRS. Unclassified civil service employees hired on or after August 1, 2005, are also eligible to participate in the ARP.

The Board of Trustees of each public institution of higher education enters into contracts with each approved retirement plan provider. Once established, full-time faculty and unclassified employees who are hired subsequent to the establishment of the ARP, or who had less than five years of service credit under the existing retirement plans, may choose to enroll in the ARP. The choice is irrevocable for as long as the employee remains continuously employed in a position for which the ARP is available. For those employees that choose to join the ARP, any prior employee contributions that had been made to OPERS or STRS would be transferred to the ARP.

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

The Ohio Board of Regents has designated the companies that are eligible to serve as plan providers for the ARP.

Ohio law requires that employee contributions be made to the ARP in an amount equal to those that would otherwise have been required by the retirement system that applies to the employee's position. For the fiscal year ended June 30, 2015, these contribution rates are ten percent for OPERS and 12 percent for STRS. Employees may also voluntarily make additional contributions to the ARP.

For the year ended June 30, 2015, each public institution of higher education was required to contribute .77 percent of a participating employee's salary to OPERS in cases when the employee would have otherwise been enrolled in OPERS.

Ohio law also requires each public institution of higher education to contribute 4.5 percent of a participating employee's gross salary, for the year ended June 30, 2015, to STRS in cases when the employee would have otherwise been enrolled in STRS.

The employer contribution amount is subject to actuarial review every third year to determine if the rate needs to be adjusted to mitigate any negative financial impact that the loss of contributions may have on OPERS and STRS. The Board of Trustees of each public institution of higher education may also make additional payments to the ARP based on the gross salaries of employees multiplied by a percentage the respective Board of Trustees approves.

The ARP vesting of all contributions made on behalf of participants is based on the employer's vesting requirements. The contributions are directed to one of the investment management companies as chosen by the participants. The ARP does not provide disability benefits, annual cost-of-living adjustments, postretirement healthcare benefits, or death benefits. Benefits are entirely dependent on the sum of the contributions and related investment income generated by each participant's choice of investment options.

For the State's major discretely presented component units, employer and employee contributions required and made for the year ended June 30, 2015, for the ARP follow (dollars in thousands):

Major Component Units:	OPERS	STRS
Ohio State University:		
Employer Contributions	$ 26,586	$ 30,331
Employee Contributions	20,095	24,012

NOTE 10 GENERAL OBLIGATION BONDS

At various times since 1921, Ohio voters, by 20 constitutional amendments (the last adopted May 2014 for a ten-year extension of the local government infrastructure program adopted in 2005), have authorized the incurrence of general obligation debt for the construction and improvement of common school and higher education facilities, highways, local infrastructure improvements, research and development of coal technology, natural resources, research and development support for high-tech business, business site development, and veterans compensation. Issuances for highway capital improvements, natural resources, and conservation are, in part, used for acquisition, construction or improvement of capital assets. In practice, general obligation bonds are retired over periods of 10 to 25 years.

A 1999 constitutional amendment provided for the issuance of Common School Capital Facilities Bonds and Higher Education Capital Facilities Bonds. As of June 30, 2015, the General Assembly had authorized the issuance of $4.77 billion in Common Schools Capital Facilities Bonds, of which $4.47 billion has been issued. As of June 30, 2015, the General Assembly had also authorized the issuance of $3.54 billion in Higher Education Capital Facilities Bonds, of which $2.92 billion has been issued.

NOTE 10 GENERAL OBLIGATION BONDS (Continued)

Through the approval of the November 1995 amendment, voters authorized the issuance of Highway Capital Improvements Bonds in amounts up to $220 million in any fiscal year (plus any prior fiscal years' principal amounts not issued under the new authorization), with no more than $1.2 billion outstanding at any time. As of June 30, 2015, the General Assembly has authorized the issuance of approximately $3.43 billion in Highway Capital Improvements Bonds, of which $2.69 billion has been issued.

Constitutional amendments in 1995 and 2005 allowed for the issuance of $3.75 billion of general obligation bonds for infrastructure improvements (Infrastructure Bonds). Issuances are limited to $150 million in any fiscal year (plus any obligations unissued from previous fiscal years). As of June 30, 2015, the General Assembly had authorized $3.75 billion of these bonds to be sold (excluding any amounts for unaccreted discount on capital appreciation bonds at issuance), of which $3.45 billion had been issued (net of $214 million in unaccreted discounts at issuance). Voters in May 2014 approved a constitutional amendment for an additional $1.88 billion of debt as a ten-year extension of the program authorized in 2005. The annual issuance amount increased to $175 million in the first five fiscal years and $200 million in each following year.

Coal Research and Development Bonds and Parks, Recreation, and Natural Resources Bonds may be issued as long as the outstanding principal amounts do not exceed $100 and $200 million, respectively. As of June 30, 2015, the General Assembly had authorized the issuance of $251 million in Coal Research and Development Bonds, of which $222 million had been issued. Legislative authorizations for the issuance of Natural Resources Capital Facilities Bonds totaled $443 million, as of June 30, 2015, of which $418 million had been issued.

Constitutional amendments in 2000 and 2008 allowed for outstanding Conservation Projects Bonds of up to $400 million. No more than $50 million may be issued during a fiscal year. As of June 30, 2015, the General Assembly had authorized the issuance of approximately $500 million in Conservation Projects Bonds of which $350 million had been issued.

Through approval of the May 2010 and November 2005 amendments, voters authorized the issuance of $1.2 billion of Third Frontier Research and Development Bonds. Obligations that may be issued are limited to $175 million in any fiscal year (plus any obligations unissued from previous fiscal years). As of June 30, 2015, the General Assembly had authorized the issuance of $1.2 billion in Third Frontier Research and Development Bonds, of which $661 million had been issued.

The issuance of $150 million of Site Development Bonds was also authorized through the approval of the November 2005 amendment. Not more than $30 million may be issued in each of the first three years, beginning with fiscal year 2006, and not more than $15 million may be issued in any of the subsequent fiscal years. The General Assembly had authorized the issuance of $150 million in Site Development Bonds as of June 30, 2015, of which all $150 million had been issued.

A 2009 constitutional amendment provides for the issuance of up to $200 million in Veterans Compensation Bonds. No obligations may be issued after December 31, 2013. As of June 30, 2015, the General Assembly had authorized all $200 million in Veterans' Compensation Bonds, of which $83.9 million had been issued.

General obligation bonds outstanding and future general obligation debt service requirements, as of June 30, 2015, are presented in the table on the following page. For the variable-rate bonds, using the assumption that current interest rates remain the same over their term, the interest and net swap payment amounts are based on rates as of June 30, 2015. As rates vary, variable-rate bond interest payments and net swap payments vary.

NOTE 10 GENERAL OBLIGATION BONDS (Continued)

Primary Government-Governmental Activities
Summary of General Obligation Bonds
and Future Funding Requirements
As of June 30, 2015
(dollars in thousands)

	Fiscal Years Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance	Authorized But Unissued
Common Schools Capital Facilities	2004-15	2.0%-5.5%	2035	$ 3,299,247	$ 300,000
Higher Education Capital Facilities	2006-15	2.0%-5.3%	2034	2,096,813	615,000
Highway Capital Improvements	2007-14	2.0%-5.0%	2029	821,850	734,590
Infrastructure Improvements	1996-15	1.0%-5.5%	2034	1,914,364	300,014
Coal Research and Development	2008-15	2.0%-5.0%	2024	32,318	29,000
Natural Resources Capital Facilities	2008-15	3.0%-5.0%	2030	182,385	25,000
Conservation Projects	2007-15	2.0%-5.3%	2028	215,276	150,000
Third Frontier Research and Development	2007-14	.6%-5.5%	2024	427,520	539,000
Site Development	2007-14	2.0%-4.6%	2023	92,863	-
Veterans' Compensation	2011-14	.7%-4.9%	2027	66,420	116,090
Total General Obligation Bonds				$ 9,149,056	$ 2,808,694

Future Funding of Current Interest and Capital Appreciation Bonds:

Year Ending June 30,	Principal	Interest	Total
2016	$ 695,390	$ 355,499	$ 1,050,889
2017	681,710	324,855	1,006,565
2018	646,935	295,800	942,735
2019	670,950	266,402	937,352
2020	672,995	235,747	908,742
2021-2025	2,728,885	748,361	3,477,246
2026-2030	1,254,180	287,330	1,541,510
2031-2035	560,645	55,550	616,195
Total Current Interest and Capital Appreciation Bonds	$ 7,911,690	$ 2,569,544	$ 10,481,234

Future Funding of Variable-Rate Bonds:

Year Ending June 30,	Principal	Interest	Interest Rate Swaps, Net	Total
2016	$ 62,410	$ 7,707	$ 9,692	$ 79,809
2017	70,600	6,221	9,081	85,902
2018	63,450	4,830	8,253	76,533
2019	46,335	3,825	7,383	57,543
2020	50,465	3,072	6,481	60,018
2021-2025	218,540	7,928	13,811	240,279
2026-2030	13,620	10	385	14,015
Total Variable-Rate Bonds	$ 525,420	$ 33,593	$ 55,086	$ 614,099

Total General Obligation Bonds	$ 8,437,110
Unamortized Premium/(Discount), Net	711,946
Total	$ 9,149,056

For the year ended June 30, 2015, NOTE 15 summarizes changes in general obligation bonds.

NOTE 10 GENERAL OBLIGATION BONDS (Continued)

Hedging Derivatives

As of June 30, 2015, approximately $302.3 million of Infrastructure Improvement Bonds and Common Schools Bonds have associated cash flow hedges with a fair value of ($34.7) million. The value of these bonds is reported as part of the Bonds and Notes Payable section and the negative fair value of the cash flow hedges is reported in the Other Noncurrent Liabilities section on the Statement of Net Position. The fair value increased $3.4 million during fiscal year 2015. This increase is reported on the Statement of Net Position as part of Deferred Outflows of Resources. Fair value of the cash flow hedges is determined using the zero-coupon method. For information on the State's deferred outflows of resources and deferred inflows of resources, see NOTE 18.

Terms and objectives of the State's hedging derivatives are provided in the following table.

Hedging Derivatives
As of June 30, 2015
(dollars in thousands)

Issue	Type of Cash Flow Hedge	Notional Amount	Underlying Index	Counterparty's Swap Rate at 06/30/2015	State's Swap Rate at 06/30/2015	Effective Date	Termination (Maturity) Date
Infrastructure Improvements, Series 2001B	Pay-fixed interest rate swap	$57,100	SIFMA Index	0.07%	4.63%	11/29/2001	8/1/2021
Objective: Convert Series 2001B variable-rate bonds into a synthetic fixed rate to minimize exposure to changing interest rates							
Embedded Option: JPMorgan Chase may elect to terminate its portion of the swap if the SIFMA index averages 7 percent or higher over a 180-day period.							
Credit Quality Ratings of Counterparty:		50% Aa3/A+/AA- JPMorgan Chase; 50% Aa2/AA-/AA Wells Fargo					
Infrastructure Improvements, Refunding Series 2004A	Pay-fixed interest rate swap	$53,760	LIBOR (See terms below)	0.37%	3.51%	3/3/2004	2/1/2023
Objective: Convert Series 2004A variable-rate bonds into a synthetic fixed rate to minimize exposure to changing interest rates							
Credit Quality Ratings of Counterparty:		Aa2/AA-/AA Wells Fargo					
Terms: 63% of 1-month LIBOR + 25 basis points							
Common Schools, Series 2003D	Pay-fixed interest rate swap	$67,000	LIBOR (see terms below)	0.37%	3.41%	9/14/2007	3/15/2024
Objective: Convert Series 2003D variable-rate bonds into a synthetic fixed rate to minimize exposure to changing interest rates							
Credit Quality Ratings of Counterparty:		50% Aa3/A+/AA- JPMorgan Chase; 50% Aa2/AA-/AA Wells Fargo					
Terms: 65% of 1-month LIBOR + 25 basis points							
Common Schools, Series 2006B	Pay-fixed interest rate swap	$62,205	LIBOR (see terms below)	0.37%	3.20%	11/21/2014	6/15/2026
Objective: Convert Series 2006B variable-rate bonds into a synthetic fixed rate to minimize exposure to changing interest rates							
Credit Quality Ratings of Counterparty:		A1/AA-/AA- US Bank National Association					
Terms: 65% of 1-month LIBOR + 25 basis points							
Common Schools, Series 2006C	Pay-fixed interest rate swap	$62,205	LIBOR (see terms below)	0.37%	3.20%	6/15/2006	6/15/2026
Objective: Convert Series 2006C variable-rate bonds into a synthetic fixed rate to minimize exposure to changing interest rates							
Credit Quality Ratings of Counterparty:		Aa3/AA-/AA Royal Bank of Canada					
Terms: 65% of 1-month LIBOR + 25 basis points							

The State was not exposed to credit risk because these swaps had negative fair values at June 30, 2015. However, should interest rates change and the fair values of the swaps become positive, the State would be exposed to credit risk in the amount of the derivative's positive fair value.

NOTE 10 GENERAL OBLIGATION BONDS (Continued)

Each swap counterparty is required to post collateral to a third party when their respective credit rating, as determined by specified nationally recognized credit rating agencies, falls below the trigger level defined in the swap agreement. This arrangement protects the State by mitigating credit risk, and therefore termination risk, inherent in the swap. Collateral on all swaps must be in the form of cash or U.S. government securities and held by a third-party custodian. Net payments are made on the same date, as specified in the agreements.

The combination of the variable-rate bonds and a floating-to-fixed swap creates a low-cost, long-term synthetic fixed-rate debt that protects the State from rising interest rates.

These swaps expose the State to basis risk or a mismatch between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds. A mismatch would increase or decrease the interest cost paid by the State.

For Infrastructure Improvements, Series 2001B, the SIFMA municipal swap index has proven to be an effective proxy for the State's variable-rate debt and substantially mitigates basis risk.

For Infrastructure Improvements, Series 2004A and for Common Schools, Series 2003D, 2006B, and 2006C, the State assumes the risk of reductions in marginal federal tax rates or elimination of the tax preference for municipal securities, given that the variable swap receipt is based on a taxable index (LIBOR). Those changes would increase the interest rates on the underlying variable-rate debt but would not impact the variable-rate swap receipt based on the LIBOR index.

The State retains the right to terminate any swap agreement at the market value prior to maturity. The State has termination risk under the contracts, particularly upon the occurrence of an additional termination event (ATE), as defined in the swap agreements. An ATE occurs if either the credit rating of the bonds associated with a specific swap or the credit rating of the swap counterparty falls below a threshold defined in each swap agreement. If the swap was terminated, the variable-rate bonds would no longer carry a synthetic interest rate. Also, if at the time of the termination the swap has a negative fair value, the State may be liable to the counterparty for a payment. Other termination events include failure to pay, bankruptcy, merger without assumption, and illegality. No termination events have occurred.

Advance Refundings

During fiscal year 2015, there were four advance refundings of general obligations bonds. Details on the advanced refundings are presented in the table on the following page.

Proceeds of the refunding (new) bonds are placed in irrevocable trusts to provide for all future debt service payments of the refunded (old) bonds. These refunded amounts are considered defeased and no longer outstanding. The various trust accounts' assets and liabilities for the defeased bonds are not included in the State's financial statements.

In prior years, the State defeased certain bond issues by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the various trust accounts' assets and liabilities for the defeased bonds are not included in the State's financial statements. For these prior year defeasances, Common School Bonds of $215.4 million, Higher Education Bonds of $300.3 million, and Infrastructure Improvement Bonds of $149.4 million are considered defeased and no longer outstanding as of June 30, 2015.

NOTE 10 GENERAL OBLIGATION BONDS (Continued)

Primary Government — Governmental Activities
General Obligation Bonds
Details of Advance Refundings
For the Year Ended June 30, 2015
(dollars in thousands)

Refunding Bond Issue	Date of Refunding	Amount of Refunding Bonds Issued	True Interest Cost Rates of Refunding Bonds	Carrying Amount of Bonds Refunded (in substance)	Refunding Bond Proceeds Placed in Escrow	Reduction (Increase) in Debt Service Payments	Economic Gain / (Loss) Resulting from Refunding
Common Schools, Series 2015A	1/29/2015	$ 72,395	2.07%	$ 86,545	$ 91,674	$17,852/13 yrs	$ 14,100
Higher Education, Series 2015A.....	1/29/2015	28,195	2.11%	33,595	35,946	9,491/13 yrs	7,757
Infrastructure, Series 2015A.....	1/29/2015	99,880	1.96%	110,210	124,506	19,145/12 yrs	16,959
Conservation, Series 2015A.....	1/29/2015	11,805	1.65%	12,850	14,210	1,489/9 yrs	1,349
Total		$ 212,275		$ 243,200	$ 266,336		$ 40,165

NOTE 11 REVENUE BONDS AND NOTES

The State Constitution permits state agencies and authorities to issue bonds and notes that are not supported by the full faith and credit of the State. These bonds and notes pledge income derived from user fees and rentals on the acquired or constructed assets to pay the debt service.

The Treasurer of State and the Buckeye Tobacco Settlement Financing Authority (BTSFA) issue revenue bonds and notes for the primary government. The Treasurer of State issues bonds and notes on behalf of the Ohio Department of Transportation. The Ohio State University issues revenue bonds and notes as a major discretely presented component unit.

A. Primary Government

The Treasurer of State, since fiscal year 1998, has issued a total of $2.15 billion in State Infrastructure Bank Bonds for various transportation construction projects financed by the Department of Transportation. The State has pledged federal highway receipts and loan repayments received under the State Infrastructure Bank Loan Program as the primary source of moneys for meeting the principal and interest requirements on the bonds.

Issuances for the State Infrastructure Bank are, in part, used for the acquisition, construction, or improvement of capital assets. Total pledged federal highway receipts and loan repayments through the maturity of the bonds in 2025 are estimated at approximately $933.1 million. For fiscal year 2015, principal and interest payments on the revenue bonds was $239.5 million and pledged receipts was $170.4 million.

BTSFA is authorized by the Ohio General Assembly to issue and to sell obligations, the aggregate principle amount of which shall not exceed $6 billion, exclusive of obligations issued to refund, renew, or advance refund other obligations issued or incurred. On October 29, 2007, BTSFA successfully securitized 100 percent of the projected tobacco settlement receipts for the next 45 years through the issuance of five series of asset-backed revenue bonds, aggregating in the amount of $5.53 billion. The future tobacco settlement receipts, including related investment earnings and net of specified operating and enforcement expenses, have been pledged to repay the bonds, which are payable through 2052. Annual principal and interest payments on the bonds will require 100 percent of the net tobacco settlement receipts. As of June 30, 2015, the total principal and interest payments remaining to be paid on the bonds were $17.55 billion. Principal and interest paid and total net tobacco settlement receipts for fiscal year 2015 were $322.3 million and $286.7 million, respectively. In the event that the assets of BTSFA have been exhausted, no amounts will thereafter be paid on the bonds. After the bonds and any related operating expenses have been fully paid, any remaining tobacco settlement receipts will become payable to the State. The bonds include fixed rate serial bonds, fixed rate current interest turbo term bonds, and capital appreciation turbo term bonds which will convert to fixed rate current interest turbo term bonds. They were

NOTE 11 REVENUE BONDS AND NOTES (Continued)

issued to fund long-lived capital projects at state-supported institutions of higher education and to pay the State's share of the cost of rebuilding elementary and secondary school facilities across the State. Additional information on these bonds can be found in BTSFA's stand-alone financial report.

Revenue bonds and notes outstanding and future bond service requirements for the primary government, as of June 30, 2015, are presented in the following tables.

Primary Government-Governmental Activities
Summary of Revenue Bonds and Notes
As of June 30, 2015
(dollars in thousands)

	Fiscal Years Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance
Treasurer of State: State Infrastructure Bank	2006-15	1.0%-6.0%	2025	$ 847,978
Buckeye Tobacco Settlement Financing Authority	2008	4.8%-7.5%	2052	5,561,796
Total Revenue Bonds and Notes				$ 6,409,774

Primary Government-Governmental Activities
Future Funding Requirements for Revenue Bonds and Notes
As of June 30, 2015
(dollars in thousands)

Year Ending June 30,	Principal	Interest	Total
2016	$ 309,530	$ 329,773	$ 639,303
2017	195,770	315,413	511,183
2018	200,525	305,939	506,464
2019	210,835	295,127	505,962
2020	220,060	284,723	504,783
2021-2025	855,850	1,283,396	2,139,246
2026-2030	579,900	1,092,016	1,671,916
2031-2035	620,500	917,524	1,538,024
2036-2040	817,505	717,345	1,534,850
2041-2045	1,216,505	420,443	1,636,948
2046-2050	801,470	3,071,982	3,873,452
2051-2052	128,183	3,289,117	3,417,300
	6,156,633	12,322,798	18,479,431
Unamortized Premium/(Discount), Net	253,141	-	253,141
Total	$ 6,409,774	$ 12,322,798	$ 18,732,572

For the year ended June 30, 2015, NOTE 15 summarizes changes in revenue bonds and notes.

In prior years, the Treasurer of State defeased certain bond issues by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the various trust accounts' assets and liabilities for the defeased bonds are not included in the State's financial statements. For these prior year defeasances, Economic Development Bonds of $165.8 million and Revitalization Bonds of $64.9 million are considered defeased and no longer outstanding as of June 30, 2015.

NOTE 11 REVENUE BONDS AND NOTES (Continued)

B. Major Discretely Presented Component Units

Future bond service requirements for revenue bonds and notes reported for the major discretely presented component units, as of June 30, 2015, are shown in the following table.

Major Discretely Presented Component Units
Future Funding Requirements for Revenue Bonds and Notes
As of June 30, 2015
(dollars in thousands)

	Ohio State University		
Year Ending June 30,	Principal	Interest	Total
2016	$ 654,902	$ 99,819	$ 754,721
2017	61,346	96,952	158,298
2018	62,858	94,203	157,061
2019	48,758	91,848	140,606
2020	35,783	89,990	125,773
2021-2025	197,025	424,646	621,671
2026-2030	178,595	381,143	559,738
2031-2035	126,434	349,180	475,614
2036-2040	781,470	323,919	1,105,389
2041-2045	106,155	132,919	239,074
2046-2050	-	120,000	120,000
2051-2055	-	120,000	120,000
2056-2060	-	120,000	120,000
2061-2065	-	120,000	120,000
2066-2070	-	120,000	120,000
2071-2075	-	120,000	120,000
2076-2080	-	120,000	120,000
2081-2085	-	120,000	120,000
2086-2090	-	120,000	120,000
2091-2095	-	120,000	120,000
2096-2100	-	120,000	120,000
2101-2105	-	120,000	120,000
2106-2110	-	120,000	120,000
2111-2115	500,000	24,000	524,000
	2,753,326	3,668,619	6,421,945
Unamortized Premium/(Discount), Net	98,658	-	98,658
Total	$ 2,851,984	$ 3,668,619	$ 6,520,603

The bonds and notes of the state universities and state community colleges are payable from the institutions' available receipts, including student fees, rental income, and gifts and donations, as may be provided for in the respective bond and note agreements. The proceeds of the bonds and notes are used for the construction of educational and student resident facilities and auxiliary facilities such as dining halls, hospitals, parking facilities, bookstores and athletic facilities. The State is not obligated for the debt of its discretely presented component units.

NOTE 12 SPECIAL OBLIGATION BONDS

Under the authority of Chapter 154, Ohio Revised Code, the Treasurer of State is the issuer of special obligation bonds that finance the cost of capital facilities for state-supported institutions of higher education, mental health and developmental disabilities institutions, parks and recreation, cultural and sports facilities, correctional facilities, office buildings for state departments and agencies, and, in some cases, related facilities for local governments. These issuances are, in part, used for acquisition, construction, or improvement of capital assets.

NOTE 12 SPECIAL OBLIGATION BONDS (Continued)

Pledges of lease rental payments from appropriations made to the General Fund and the Highway Safety and Highway Operating special revenue funds, moneys held by trustees pursuant to related trust agreements, and other receipts, as required by the respective bond documents, secure the special obligation bonds. The lease rental payments are reported in the fund financial statements as interfund transfers.

Special obligation bonds outstanding, bonds authorized but unissued, and future debt service requirements, as of June 30, 2015, are presented in the following tables.

Primary Government-Governmental Activities
Summary of Special Obligation Bonds
As of June 30, 2015
(dollars in thousands)

	Fiscal Years Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance	Authorized but Unissued
Treasurer of State Lease Rental Bonds	2001-15	1.2%-5.6%	2035	$ 1,906,844	$ 629,140
Total Special Obligation Bonds				$ 1,906,844	$ 629,140

Future Funding of Special Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2016	$ 227,040	$ 78,599	$ 305,639
2017	206,030	68,199	274,229
2018	199,150	59,039	258,189
2019	173,395	50,851	224,246
2020	147,995	43,761	191,756
2021-2025	580,580	127,594	708,174
2026-2030	181,080	38,266	219,346
2031-2035	58,065	6,432	64,497
	1,773,335	472,741	2,246,076
Unamortized Premium/(Discount), Net	133,509	-	133,509
Total	$ 1,906,844	$ 472,741	$ 2,379,585

For the year ended June 30, 2015, NOTE 15 summarizes changes in special obligation bonds.

During fiscal year 2015, Treasurer of State Lease Rental had four current/advance refunding issues. Details on advanced refunding for fiscal year 2015 are presented in the following table.

Primary Government — Governmental Activities
Special Obligation Bonds
Details of Advance Refundings
For the Year Ended June 30, 2015
(dollars in thousands)

Refunding Bond Issue	Date of Refunding	Amount of Refunding Bonds Issued	True Interest Cost Rates of Refunding Bonds	Carrying Amount of Bonds Refunded (in substance)	Refunding Bond Proceeds Placed in Escrow	Reduction (Increase) in Debt Service Payments	Gain / (Loss) Resulting from Refunding
Treasurer of State Lease Rental Bonds:							
Cultural Facilities Bonds 2015 Series A	2/26/2015	$ 9,920	1.57%	$ 9,110	$ 9,768	$615/4 yrs	$ 538
Adult Correctional Facilities Bonds 2015 Series A	2/26/2015	10,030	1.54%	10,255	11,812	923/5 yrs	806
Administrative Facilities Bonds 2015 Series C	2/26/2015	11,185	1.52%	10,270	11,918	1,006/5 yrs	890
Juvenile Correctional Bonds 2015 Series A	2/26/2015	11,180	1.37%	10,540	11,023	474/3 yrs	468
Total		$ 42,315		$ 40,175	$ 44,521		$ 2,702

These refunded amounts are considered defeased and no longer outstanding. The various trust accounts' assets and liabilities for the defeased bonds are not included in the State's financial statements.

NOTE 12 SPECIAL OBLIGATION BONDS (Continued)

In prior years, the Treasurer of State defeased certain bond issues by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the various trust accounts' assets and liabilities for the defeased bonds are not included in the State's financial statements. For these prior year defeasances, $40.2 million of lease rental special obligations bonds are considered defeased and no longer outstanding as of June 30, 2015.

NOTE 13 CERTIFICATES OF PARTICIPATION

As of June 30, 2015, approximately $231.8 million in certificate of participation (COP) obligations were reported in governmental activities.

In fiscal year 2015, the Ohio department of Administrative Services participated in the issuance of $33.6 million of COP obligations to finance the cost of acquisition of the Enterprise Data Center Solutions (EDCS).

Beginning in fiscal year 2013, the Ohio Department of Administrative Services participated in the issuance of $72 million of COP obligations to finance the upgrade of the Ohio Multi-Agency Radio Communications System (MARCS).

Beginning in fiscal year 2005, the Ohio Department of Administrative Services participated in the issuance of $185.2 million of COP obligations to finance the acquisition of the Ohio Administrative Knowledge System (OAKS), a statewide Enterprise Resource Planning (ERP) system. These issuances are, in part, used for the acquisition, construction, or improvement of capital assets.

Beginning in fiscal year 2008, the Ohio Department of Administrative Services participated in the issuance of $58.1 million of COP obligations to finance the cost of acquisition of the State Taxation Accounting and Revenue System (STARS).

In fiscal year 2015, the Ohio Treasurer of State's Office participated in the issuance of $8.8 million of COP obligations to finance the cost of acquisition of the Treasury Management System (TMS).

Under the COP financing arrangements, the State is required to make rental payments from the General Fund (subject to biennial appropriations) that approximate the interest and principal payments made by trustees to certificate holders.

Obligations outstanding and future commitments for the primary government under COP financing arrangements, as of June 30, 2015, are presented in the following tables.

Primary Government — Governmental Activities
Summary of Certificate of Participation Obligations
As of June 30, 2015
(dollars in thousands)

	Fiscal Years Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance
Department of Administrative Services:				
Enterprise Data Center Solutions (EDCS)	2015	2.0%-5.0%	2025	$ 38,783
Multi-Agency Radio Communications System (MARCS)	2013-15	4.0%-5.0%	2028	74,867
Ohio Administrative Knowledge System (OAKS)	2014	4.0%-5.0%	2019	69,324
State Taxation Accounting and Revenue System (STARS)	2008-15	4.0%-5.0%	2025	38,704
Treasurer of State:				
Treasury Management Systems (TMS)	2015	5.0%	2025	10,159
Total Certificates of Participation				$ 231,837

NOTE 13 CERTIFICATES OF PARTICIPATION (Continued)

Future Commitments for Certificate of Participation Obligations:			
Year Ending June 30,	Principal	Interest	Total
2016	$ 32,185	$ 8,843	$ 41,028
2017	34,190	7,525	41,715
2018	26,145	6,153	32,298
2019	27,450	4,949	32,399
2020	10,440	4,084	14,524
2021-2025	60,660	11,946	72,606
2026-2030	19,060	1,235	20,295
	210,130	44,735	254,865
Unamortized Premium, Net	21,707	-	21,707
Total	$ 231,837	$ 44,735	$ 276,572

For the year ended June 30, 2015, NOTE 15 summarizes changes in COP obligations.

NOTE 14 OTHER NONCURRENT LIABILITIES

As of June 30, 2015, in addition to bonds, notes, and certificates of participation obligations discussed in NOTES 10 through 13, the State reports the following noncurrent liabilities in its financial statements (dollars in thousands):

Non-Current Liabilities	
Governmental Activities:	
Compensated Absences	$ 421,817
Net Pension Liability	2,703,806
Net OPEB Obligation	149,131
Capital Leases Payable	2,072
Derivatives	45,873
Pollution Remediation Liabilities	1,568
Estimated Claims Payable	2,186
Liability for Escheat Property	236,773
Total Governmental Activities	3,563,226
Business-Type Activities:	
Compensated Absences	37,338
Net Pension Liability	195,669
Capital Leases Payable	13,094
Workers' Compensation:	
Benefits Payable	16,389,400
Other	2,311,425
Unemployment Compensation:	
Intergovernmental Payable	978,459
Prize Awards Payable	518,232
Tuition Benefits Payable	342,800
Total Business-Type Activities	20,786,417
Total Primary Government	$ 24,349,643

For the year ended June 30, 2015, NOTE 15 summarizes the changes in other noncurrent liabilities. Explanations of certain significant noncurrent liability balances reported in the financial statements follow:

NOTE 14 OTHER NONCURRENT LIABILITIES (Continued)

A. Compensated Absences

For the primary government, the compensated absences liability, as of June 30, 2015, was $459.2 million, of which $421.8 million is allocable to governmental activities and $37.3 million is allocable to business-type activities.

As of June 30, 2015, major discretely presented component units reported a total of $167.2 million in compensated absences liabilities, as detailed by major discretely presented component unit in NOTE 15.

B. Net Pension Liability and Net OPEB Obligation

The State recognizes a net pension liability in the amount of $2.9 billion, as of June 30, 2015, for the primary government of which $2.7 billion is allocable to governmental activities and $195.7 million is allocable to business-type activities. The net pension liability represents the State's proportionate share of the difference between the total pension liability and the fiduciary net position for OPERS, STRS, and SHPRS.

For the primary government, the State recognizes a net OPEB obligation in the amount of $149.1 million as of June 2015. The net OPEB obligation represents the cumulative difference between the annual OPEB cost and the employer's contributions to the SHPRS. The SHPRS is a blended component unit reported as a fiduciary pension trust fund. See NOTE 9 for further details.

C. Lease Agreements

The State's primary government leases office buildings and computer and office equipment. Although the lease terms vary, most leases are renewable subject to biennial appropriations by the General Assembly. If the likelihood of the exercise of a fiscal funding clause in the lease agreement is, in the management's judgment, remote, then the lease is considered noncancelable for financial reporting purposes and is reported as a fund expenditure/expense for operating leases or as a liability for capital leases.

Operating leases (leases on assets not recorded in the Statement of Net Position) contain various renewable options as well as some purchase options. Any escalation clauses, sublease rentals, and contingent rents are considered immaterial to the future minimum lease payments and current rental expenditures. Operating lease payments are recorded as expenditures or expenses of the related funds when paid or incurred. The primary government's total operating lease expenditures/expenses for fiscal year 2015 were approximately $77.7 million. Fiscal year 2016 future minimum lease commitments for operating leases judged to be noncancelable, as of June 30, 2015, were $4 million.

Assets acquired through capital leasing are valued at the lower of fair value or the present value of the future minimum lease payments at the lease's inception. Capital leases are used for the acquisition of capital assets. Future minimum lease commitments for capital leases judged to be noncancelable, as of June 30, 2015, are below (dollars in thousands):

	Capital Leases		
Year Ending June 30,	Governmental Activities	Business-Type Activities	Total
2016	$ 727	$ 5,594	$ 6,321
2017	541	-	541
2018	409	-	409
2019	335	7,500	7,835
2020	186	-	186
Total Minimum Lease Payments	2,198	13,094	15,292
Amount for Interest	(126)	-	(126)
Present Value of Net Minimum Lease Payments	$ 2,072	$ 13,094	$ 15,166

NOTE 14 OTHER NONCURRENT LIABILITIES (Continued)

As of June 30, 2015, the primary government had the following capital assets under capital leases (dollars in thousands):

	Capital Assets		
	Governmental Activities	Business- Type Activities	Total
Equipment	$ 9,985	$ 110,771	$ 120,756
Vehicles	4,416	-	4,416
Total	$ 14,401	$ 110,771	$ 125,172

Amortization expense for the proprietary funds within the Statement of Activities is included with depreciation expense. Capital leases are reported under the "Refund and Other Liabilities" account in the proprietary and discretely presented component unit funds.

Future minimum lease commitments for capital leases judged to be noncancelable and capital assets under capital leases for the major discretely presented component unit funds, as of June 30, 2015, are presented in the table below (dollars in thousands):

Capital Leases	
Major Discretely Presented Component Units	
Year Ending June 30,	Ohio State University
2016	$ 1,957
2017	1,789
2018	690
2019	625
2020	560
2021-2025	1,121
Total Minimum Lease Payments	6,742
Amount for Interest	(348)
Present Value of Net Minimum Lease Payments	$ 6,394
Equipment & Vehicles	$ 15,203
Total	$ 15,203

D. Derivatives

For governmental activities, the State has reported $(45.9) million of investment and hedging derivatives as of June 30, 2015. Additional information regarding the State's derivatives is included in NOTE 4, NOTE 10, and NOTE 18.

E. Litigation Liabilities

In instances when the unfavorable outcome of a pending litigation has been assessed to be probable, liabilities are recorded in the financial statements. As of June 30, 2015, no noncurrent liabilities ultimately payable from various governmental funds have been recorded for this purpose. For information on the State's loss contingencies arising from pending litigation, see NOTE 20.

F. Pollution Remediation Liabilities

The State recognizes a liability for pollution remediation in the amount $1.6 million, as of June 30, 2015. This represents the cost to the State to the extent that is probable for future clean up and reclamation of polluted sites within the State. See NOTE 20 for further detail.

NOTE 14 OTHER NONCURRENT LIABILITIES (Continued)

G. Estimated Claims Payable

The State reported $2.2 million in estimated claims for defaulted loans under the Ohio Enterprise Bond Programs at the Development Services Agency, Office of Loan Administration, as of June 30, 2015. The program is included in governmental activities and is accounted for in the nonmajor governmental funds. See NOTE 16 for additional information.

The following table reflects the Ohio Enterprise Bond Fund future debt service obligations as of June 30, 2015 (dollars in thousands):

Year Ending June 30,	Principal Due
2016	$ 486
2017	500
2018	522
2019	541
2020	137
Total	$ 2,186

H. Liability for Escheat Property

The State records a liability for escheat property to the extent that it is probable that the escheat property will be reclaimed and paid to claimants. As of June 30, 2015, the liability totaled approximately $236.8 million.

I. Worker's Compensation

Benefits Payable

As discussed in NOTE 21, the Worker's Compensation Enterprise Fund provides benefits to employees for losses sustained from job-related injury, disease, or death. The Bureau has computed a reserve for compensation, as of June 30, 2015, in the amount of approximately $16.39 billion. The reserve, which includes estimates for reported claims and claims incurred but not reported, is included in the "Benefits Payable" balance reported for the enterprise fund.

J. Unemployment Compensation

As of June 30, 2015, the State's Unemployment Compensation Fund is recognizing an intergovernmental payable liability for repayable advances from the Federal government of $978.5 million. These advances were used for the payment of compensation benefits.

K. Prize Awards Payable

Future installment payments for the prize awards payable are reported at present value based upon interest rates that the Treasurer of State provides to the Lottery Commission Enterprise Fund. The interest rates, ranging from 2 to 9 percent, represent the expected long-term rate of return on the assets restricted for the payment of prize awards. Once established for a particular prize award, the interest rate does not fluctuate with changes in the expected long-term rate of return. The difference between the present value and gross amount of the obligations is amortized into income over the terms of the obligations using the interest method. The State reduces prize liabilities by an estimate of the amount of the prize that will ultimately be unclaimed. As of June 30, 2015, this payable totals $518.2 million.

NOTE 14 OTHER NONCURRENT LIABILITIES (Continued)

Future payments of prize awards, stated at present value, as of June 30, 2015, follow (dollars in thousands):

Year Ending June 30,		
2016	$	82,911
2017		73,562
2018		66,997
2019		60,377
2020		51,791
2021-2025		178,194
2026-2030		93,342
2031-2035		45,807
2036-2040		4,734
2041-2045		200
		657,915
Unamortized Discount		(139,683)
Net Prize Liability	$	518,232

L. Tuition Benefits Payable

The actuarial present value of future tuition benefits payable from the Tuition Trust Authority Enterprise Fund was approximately $342.8 million, as of June 30, 2015. The valuation method reflects the present value of estimated tuition benefits that will be paid in future years and is adjusted for the effects of projected tuition increases in state universities and state community colleges and termination of participant contracts under the plan.

The following assumptions were used in the actuarial determination of tuition benefits payable: 4.5 percent rate of return, compounded annually, on the investment of current and future assets, a tuition inflation assumption equal to the maximum amount of tuition and mandatory fee increases permitted by the State of Ohio biennial budget of 5.5 percent, as well as a 2.5 percent Consumer Price Index inflation rate.

As of June 30, 2015, the market value of actuarial net position available for the payment of the tuition benefits payable was $399.9 million.

M. Other Liabilities

The Workers' Compensation Enterprise Fund reports approximately $2.31 billion in other noncurrent liabilities, as of June 30, 2015, of which 1) $1.81 billion is comprised of the compensation adjustment expenses liability for estimated future expenses to be incurred in the settlement of claims, as discussed further in NOTE 21, 2) $397.9 million relates to transition credit liabilities, 3) $2.4 million is contingent liabilities, 4) $86.1 million represents premium payment security deposits collected in advance from private employers to reduce credit risk for premiums collected in subsequent periods, and 5) $19.5 million consists of other miscellaneous liabilities.

NOTE 15 CHANGES IN NONCURRENT LIABILITIES

A. Primary Government

Changes in noncurrent liabilities, for the year ended June 30, 2015, are presented for the primary government in the following table.

Primary Government
Changes in Noncurrent Liabilities
For the Fiscal Year Ended June 30, 2015
(dollars in thousands)

Governmental Activities:	Balance June 30, 2014 (as restated)	Additions	Reductions	Balance June 30, 2015	Amount Due Within One Year
Bonds and Notes Payable:					
General Obligation Bonds (NOTE 10)	$ 9,366,348	$ 884,442	$ 1,101,734	$ 9,149,056	$ 762,856
Revenue Bonds and Notes (NOTE 11)	6,355,222	293,651	239,099	6,409,774	180,223
Special Obligation Bonds (NOTE 12)	1,836,136	361,312	290,604	1,906,844	250,257
Total Bonds and Notes Payable	17,557,706	1,539,405	1,631,437	17,465,674	1,193,336
Certificates of Participation (NOTE 13)	173,603	88,076	29,842	231,837	32,700
Other Noncurrent Liabilities (NOTE 14):					
Compensated Absences	426,695	340,642	345,520	421,817	67,018
Net Pension Liability*	2,652,419	51,387	-	2,703,806	-
Net OPEB Obligation	128,101	26,003	4,973	149,131	-
Capital Leases Payable	3,055	-	983	2,072	674
Derivatives	49,888	-	4,015	45,873	-
Pollution Remediation Liabilities	1,550	108	90	1,568	100
Estimated Claims Payable	11,731	361	9,906	2,186	486
Liability for Escheat Property	242,773	63,729	69,729	236,773	73,944
Total Other Noncurrent Liabilities	3,516,212	482,230	435,216	3,563,226	142,222
Total Noncurrent Liabilities	$ 21,247,521	$ 2,109,711	$ 2,096,495	$ 21,260,737	$ 1,368,258

* Due to the implementation of GASB 68, Net Pension Obligation was eliminated at 7/1/14 and Net Pension Liability is now recognized.

Business-Type Activities:					
Other Noncurrent Liabilities (NOTE 14):					
Compensated Absences	$ 37,564	$ 25,477	$ 25,703	$ 37,338	$ 3,939
Net Pension Liability	191,275	4,394	-	195,669	-
Capital Leases Payable	15,357	3,669	5,932	13,094	5,594
Workers' Compensation:					
Benefits Payable	16,868,200	1,268,143	1,746,943	16,389,400	1,752,249
Other:					
Adjustment Expenses Liability	1,853,500	126,857	174,753	1,805,604	379,156
Premium Payment Security Deposits	86,481	1,525	1,918	86,088	86,088
Miscellaneous	1,669,043	70,426	1,319,736	419,733	373,733
Unemployment Compensation:					
Intergovernmental Payable	1,381,022	-	402,563	978,459	601,202
Prize Awards Payable	540,238	58,452	80,458	518,232	61,386
Tuition Benefits Payable	423,200	-	80,400	342,800	76,400
Total Other Noncurrent Liabilities	23,065,880	1,558,943	3,838,406	20,786,417	3,339,747
Total Noncurrent Liabilities	$ 23,065,880	$ 1,558,943	$ 3,838,406	$ 20,786,417	$ 3,339,747

The State makes payments on bonds and notes payable and certificate of participation obligations that pertain to its governmental activities from the debt service funds. The General Fund and the nonmajor governmental funds will primarily liquidate the other noncurrent liabilities balance attributable to governmental activities.

NOTE 15 CHANGES IN NONCURRENT LIABILITIES (Continued)

For fiscal year 2015, the State's primary government included interest expense on its debt issues in the following governmental functions rather than reporting it separately as interest expense. The related borrowings are essential to the creation or continuing existence of the programs they finance and accordingly, such expense is not reported separately on the Statement of Activities under the expense category for interest on long-term debt. The various state subsidy programs supported by the borrowings provide direct state assistance to local governments for their respective capital and construction or research projects.

	(in 000s)
Governmental Activities:	
Primary, Secondary and Other Education	$ 368,477
Higher Education Support	149,569
Health and Human Services	2,167
Environmental Protection and Natural Resources	1,190
Transportation	38,698
Community and Economic Development	106,720
Total Interest Expense Charged to Governmental Functions	$ 666,821

B. Major Discretely Presented Component Units

Changes in noncurrent liabilities, for the year ended June 30, 2015, are presented in the following table for the State's major discretely presented component units.

Major Discretely Presented Component Units
Changes in Noncurrent Liabilities
For the Fiscal Year Ended June 30, 2015
(dollars in thousands)

	Balance June 30, 2014 (as restated)	Additions	Reductions	Balance June 30, 2015	Amount Due Within One Year
Ohio Facilities Construction Commission					
Intergovernmental Payable	$ 618,908	$ 374,171	$ 447,298	$ 545,781	$ 325,291
Compensated Absences*	831	752	741	842	120
Net Pension Liability*	4,944	114	-	5,058	-
Total	$ 624,683	$ 375,037	$ 448,039	$ 551,681	$ 325,411
Ohio State University:					
Compensated Absences*	$ 160,296	$ 20,532	$ 14,472	$ 166,356	$ 14,472
Capital Leases Payable* (NOTE 14)	8,446	20	2,072	6,394	1,845
Net Pension Liability*	2,164,734	-	34,006	2,130,728	-
Other Liabilities*	342,135	345,723	337,750	350,108	54,470
Revenue Bonds & Notes Payable (NOTE 11)	2,614,336	300,811	63,163	2,851,984	654,890
Total	$ 5,289,947	$ 667,086	$ 451,463	$ 5,505,570	$ 725,677

*Liability is reported under the "Refund and Other Liabilities" account.

NOTE 16 CONDUIT DEBT

The State of Ohio, by action of the General Assembly, created various financing authorities for the expressed purpose of making available to non-profit and, in some cases, for profit private entities, lower cost sources of capital financing for facilities and projects found to be for a public purpose. Fees are assessed to recover related processing and application costs incurred. The authorities' debt instruments represent a limited obligation payable solely from payments made by the borrowing entities. Most of the bonds are secured by the property financed. Upon repayment of the bonds, ownership of acquired property transfers to the entity served by the bond issuance. This debt is not deemed to constitute debt of the State or a pledge of the faith and credit of the State. Accordingly, these bonds are not reflected in the accompanying financial statements.

NOTE 16 CONDUIT DEBT (Continued)

Ohio Enterprise Bond Fund bonds are issued through the Treasurer of State for the purpose of financing eligible projects of private industry organizations. The actual bonds are sold through private placement. These bonds are not general obligations of the State of Ohio or of any political subdivision and are not payable from any tax source; therefore, the rights of the holders of the bonds for payments of amounts due are limited solely to the pledged receipts deposited into the Ohio Enterprise Bond Fund Accounts. The bonds represent conduit debt and are not reflected in the accompanying financial statements. The scheduled payment of the bonds currently outstanding is, however, guaranteed through the Development Services Agency, Office of Loan Administration, under Chapter 166, Ohio Revised Code. As of June 30, 2015, a liability of $2.2 million has been recorded in the accompanying financial statements for guarantees extended to defaulted organizations. See NOTE 14G. for additional information. The cumulative guarantee payments made for defaulted organizations with bonds currently outstanding is $3.1 million. Recoveries for guarantee payments are submitted to the Attorney General's Office for collection; however, no amounts are expected to be recovered from guarantee payments made through June 30, 2015.

The Development Services Agency also participates in the issuance of Hospital Facilities Bonds, as authorized under Chapter 140, Ohio Revised Code. These revenue bonds are payable solely from payments made by the borrowing entities and are secured by the property financed. This debt is not deemed to constitute debt of the State or a pledge of the faith and credit of the State. Accordingly, these bonds are not reflected in the accompanying financial statements.

Under Chapter 5531, Ohio Revised Code, the Ohio Department of Transportation is authorized to issue State Infrastructure Bond Program debt issuances through the Treasurer of State for highway and transit capital projects of eligible Ohio political subdivisions. These bonds are not general obligations of the State of Ohio or of any political subdivision and are not payable from any tax source; therefore, the rights of the holders of the bonds for payments of amounts due are limited to the pledged receipts and those special funds pledged by each debt issuance. The bonds represent conduit debt and are not reflected in the accompanying financial statements. The scheduled payment of the bonds currently outstanding is, however, guaranteed through the State Infrastructure Bank program of the Ohio Department of Transportation. In the event of a borrower's default, amounts recovered from the secured capital project would be used to replenish any reserve funds and any remaining amounts would be transferred to the State Infrastructure Bank accounts. Any amounts provided to repay bonds using appropriations of the Ohio Department of Transportation would be submitted to the Attorney General's Office for collection. Currently, guarantees are outstanding through fiscal year 2039, when the bonds mature, and no circumstances presently exist that indicate that the State will be required to make any payments as a result of these guarantees.

As of June 30, 2015, revenue bonds and notes outstanding that represent conduit debt for the State were as follows (dollars in thousands):

	Outstanding Amount
Primary Government:	
Development Services Agency:	
Ohio Enterprise Bond Program	$ 195,940
Hospital Facilities Bonds	4,885
Ohio Department of Transportation:	
State Transportation Infrastructure Bond Fund Program	34,785
Total Primary Government	$ 235,610

NOTE 17 FUND DEFICITS AND FUND BALANCE REPORTING

A. Fund Balance Reporting-Constraints by Purpose

Fund balance constraints reported in the governmental funds, as of June 30, 2015, are presented by purpose in the table on the following page:

NOTE 17 FUND DEFICITS AND FUND BALANCE REPORTING (Continued)

Primary Government
Fund Balance Constraints by Purpose
(dollars in thousands)

Fund Balance:	Major Funds: General	Major Funds: Job, Family & Other Human Services	Major Funds: Buckeye Tobacco Settlement Financing Authority Revenue Bonds	Nonmajor Governmental Funds	Total
Nonspendable					
Inventories	$ 21,870	$ -	$ -	$ 80,141	$ 102,011
Noncurrent Portion of Loans Receivable	2,332	-	-	-	2,332
Advances to Local Government	25,453	-	-	-	25,453
Total Nonspendable	49,655	-	-	80,141	129,796
Restricted					
Primary, Secondary and Other Education	1,077	51	-	108,420	109,548
Higher Education Support	116,103	-	-	26,713	142,816
Public Assistance and Medicaid	-	234,015	-	90,858	324,873
Health and Human Services	-	2,892	-	40,373	43,265
Justice and Public Protection	10,327	2,079	-	102,312	114,718
Environmental Protection and Natural Resources	4,217	-	-	127,057	131,274
Transportation	-	-	-	9,615	9,615
Transit Project Loans	-	-	-	219,994	219,994
Highway Construction/Preservation	-	-	-	878,091	878,091
General Government	9,760	18,050	-	54,866	82,676
Community and Economic Development	212,717	9	-	282,191	494,917
Grants/Loans-Local Government Capital Improvements	576,881	-	-	-	576,881
State/Local Government Road/Bridge Improvements	222,746	-	-	-	222,746
Capital Outlay	-	-	-	672,112	672,112
Debt Service	-	-	4,860,349	8,919	4,869,268
Total Restricted	1,153,828	257,096	4,860,349	2,621,521	8,892,794
Committed					
Primary, Secondary and Other Education	4	-	-	83,192	83,196
Higher Education Support	-	-	-	1,226	1,226
Public Assistance and Medicaid	88,979	23,092	-	18,253	130,324
Health and Human Services	5,207	6,655	-	13,088	24,950
Justice and Public Protection	634	2,433	-	88,674	91,741
Environmental Protection and Natural Resources	-	-	-	191,586	191,586
Transportation	-	-	-	859	859
General Government	17,433	14,998	-	90,174	122,605
Community and Economic Development	243	-	-	71,825	72,068
Business Development Loans	691,051	-	-	-	691,051
Total Committed	803,551	47,178	-	558,877	1,409,606
Assigned					
Primary, Secondary and Other Education	59,803	-	-	-	59,803
Higher Education Support	10,087	-	-	-	10,087
Public Assistance and Medicaid	375,705	-	-	-	375,705
Health and Human Services	113,024	-	-	-	113,024
Justice and Public Protection	84,677	-	-	-	84,677
Environmental Protection and Natural Resources	14,681	-	-	-	14,681
General Government	440,808	-	-	-	440,808
Escheat Investments used for Mortgage Insurance/ Minority Contractor Bonding/Housing Finance Loans	1,037,746	-	-	-	1,037,746
Medicaid Reserve	331,134	-	-	-	331,134
Community and Economic Development	117,910	-	-	-	117,910
Total Assigned	2,585,575	-	-	-	2,585,575
Unassigned	411,190	-	-	(306)	410,884
Total Fund Balance	$ 5,003,799	$ 304,274	$ 4,860,349	$ 3,260,233	$ 13,428,655

NOTE 17 FUND DEFICITS AND FUND BALANCE REPORTING (Continued)

As of June 30, 2015, the Budget Stabilization Fund had a fund balance of $1.48 billion which was included as a part of the unassigned fund balance in the General Fund.

B. Fund Deficits

The following individual funds reported deficits that are reflected in the State's basic financial statements, as of June 30, 2015 (dollars in thousands):

Primary Government:	
Major Proprietary Funds:	
Unemployment Compensation	$ (335,816)
Nonmajor Proprietary Funds:	
Office of Auditor of State	(5,505)
Total Primary Government	$ (341,321)
Discretely Presented Component Units:	
Major Component Units:	
Ohio Facilities Construction Commission	$ (3,672,306)
Nonmajor Component Units:	
Ohio Capital Fund	(55,823)
Cincinnati State Community College	(26,953)
Owens State Community College	(14,813)
Total Component Units	$ (3,769,895)

The Unemployment Compensation Fund deficit disclosed above is due to outstanding federal loans previously required to maintain benefit levels.

Deficits for the other funds are due to the timing of revenue recognition and the accrual of expenses not recorded under the cash basis of accounting.

NOTE 18 DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

A. Deferred Outflows of Resources

Details on deferred outflows of resources for the primary government, as of June 30, 2015, follow (dollars in thousands):

Primary Government - Deferred Outflows of Resources

	Net Pension Asset/Liability	Hedging Derivatives	Loss on Debt Refundings	Resources of a Future Period	Total
Governmental Activities:					
Major Governmental Funds:					
Buckeye Tobacco Settlement Financing Authority Revenue Bonds	$ -	$ -	$ -	$ 4,406,567	$ 4,406,567
Total Governmental Activities	-	-	-	4,406,567	4,406,567
Reconciliation of fund level statements to government-wide statements due to basis differences	343,323	34,675	163,743	-	541,741
Total Governmental Activities	$ 343,323	$ 34,675	$ 163,743	$ 4,406,567	$ 4,948,308
Business-Type Activities:					
Major Proprietary Funds:					
Workers' Compensation	$ 16,679	$ -	$ -	$ -	$ 16,679
Lottery Commission	1,770	-	-	-	1,770
Nonmajor Proprietary Funds	4,450	-	-	-	4,450
Total Business-Type Activities	$ 22,899	$ -	$ -	$ -	$ 22,899
Total Primary Government					$ 4,971,207

NOTE 18 DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES (Continued)

As of June 30, 2015, the Ohio Facilities Construction Commission, a major discretely presented component unit fund, reported deferred outflows of resources totaling approximately $687 thousand related to net pension asset/liability. In addition, the Ohio State University, another major discretely presented component unit fund, reported deferred outflows of resources totaling approximately $219 million for net pension asset/liability and $8.1 million for losses on debt-related transactions.

B. Deferred Inflows of Resources

The deferred inflows of resources for the primary government, as of June 30, 2015, are comprised of the following (dollars in thousands).

Primary Government - Deferred Inflows of Resources

	Net Pension Asset/Liability	Resources from the Sale of Future Revenues	Unavailable Resources	Total
Governmental Activities:				
Major Governmental Funds:				
General	$ -	$ 818,300	$ 823,219	$ 1,641,519
Job, Family and Other Human Services	-	-	62,087	62,087
Buckeye Tobacco Settlement Financing Authority Revenue Bonds	-	-	431,099	431,099
Nonmajor Governmental Funds	-	34,100	5,743	39,843
Total Governmental Activities	-	852,400	1,322,148	2,174,548
Reconciliation of fund level statements to government-wide statements due to basis differences	61,056	1,287,933	(1,322,148)	26,841
Total Governmental Activities	$ 61,056	$ 2,140,333	$ -	$ 2,201,389
Business-Type Activities:				
Major Proprietary Funds:				
Workers' Compensation	$ 2,431	$ -	$ -	$ 2,431
Lottery Compensation	906	-	-	906
Nonmajor Proprietary Funds	749	-	-	749
Total Business-Type Activities	$ 4,086	$ -	$ -	$ 4,086
Total Primary Government				$ 2,205,475

As of June 30, 2015, the Ohio Facilities Construction Commission, a major discretely presented component unit fund, reported deferred inflows of resources totaling approximately $96 thousand related to net pension asset/liability and $3.59 billion pertaining to resources from the sale of future revenues. In addition, the Ohio State University, another major discretely presented component unit fund, reported deferred inflows of resources of $218.6 million for net pension asset/liability, $20 million for gains on debt-related transactions, and approximately $455.1 million related to service concession arrangements.

NOTE 19 JOINT VENTURES AND RELATED ORGANIZATIONS

A. Joint Ventures

Great Lakes Protection Fund (GLPF)

The Great Lakes Protection Fund is an Illinois non-profit organization that was formed to further federal and state commitments to the restoration and maintenance of the Great Lakes Basin's ecosystem. The governors of seven of the eight states that border on the Great Lakes comprise the GLPF's membership. Under the GLPF's articles of

NOTE 19 JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

incorporation, each state is required to make a financial contribution. Income earned on the contributions provides grants to projects that advance the goals of the Great Lakes Toxic Substances Control Agreement and the binational Great Lakes Water Quality Agreement.

Each governor nominates two individuals to the GLPF's board of directors who serve staggered two-year terms. All budgetary and financial decisions rest with the board, except when they are restricted by the GLPF's articles of incorporation.

Annually, one-third of the GLPF's net earnings is allocated and paid to the member states in proportion to their respective cash contributions to the GLPF. The allocation is based on the amount and period of time the state's contributions were invested. GLPF earnings distributions are to be used by the states to finance projects that are compatible with the GLPF's objectives. Ohio applies its distribution (approximately $304 thousand) to operations of its own protection program, known as the Lake Erie Protection Program, which is modeled after the GLPF.

Required contributions and contributions received from the states, which border the Great Lakes, as of December 31, 2014 (the GLPF's year-end), are presented below (dollars in thousands):

	Contribution Required	Contribution Received	Contribution Percentage
Michigan	$ 25,000	$ 25,000	30.9%
Indiana*	16,000	-	-
Illinois	15,000	15,000	18.4%
Ohio	14,000	14,000	17.3%
New York	12,000	12,000	14.8%
Wisconsin	12,000	12,000	14.8%
Minnesota	1,500	1,500	1.9%
Pennsylvania	1,500	1,500	1.9%
Total	$ 97,000	$ 81,000	100.00%

*The State of Indiana has not yet elected to join the Great Lakes Protection Fund.

Summary Financial information for the GLPF, for the fiscal year ended December 31, 2014, was as follows (dollars in thousands):

Cash and Investments	$ 130,329
Other Assets	116
Total Assets	$ 130,445
Total Liabilities	$ 1,996
Total Net Position	128,449
Total Liabilities and Net Position	$ 130,445
Total Revenues and Other Additions	$ 7,213
Total Expenditures and Other Deductions	(8,181)
Change in Net Position	$ (968)

In the event of the Fund's dissolution, the State of Ohio would receive a residual portion of the Fund's assets equal to the lesser of the amount of such assets multiplied by the ratio of its required contribution to the required contributions of all member states, or the amount of its required contribution.

Local Community and Technical Colleges

The State's primary government has an ongoing financial responsibility for the funding of six local community colleges and eight technical colleges. With respect to the local community colleges, State of Ohio officials appoint three members of each college's respective nine-member board of trustees; county officials appoint the remaining six members.

NOTE 19 JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

The governing boards of the technical colleges consist of either seven or nine trustees, of which State officials appoint two or three members, respectively; the remaining members are appointed by the local school boards located in the respective technical college district.

The Ohio General Assembly appropriates moneys to these institutions from the General Fund to subsidize operations so that higher education can become more financially accessible to Ohio residents. The primary government also provides financing for the construction of these institutions' capital facilities by meeting the debt service requirements for the Tobacco Settlement revenue bonds issued by the Buckeye Tobacco Settlement Financing Authority, the Higher Education Capital Facilities general obligation bonds issued by the Ohio Public Facilities Commission (OPFC), and the Higher Education Facilities special obligation bonds, previously issued by the OPFC, for these purposes. The bonds provide funding for capital appropriations, which are available to the local community and technical colleges for spending on capital construction.

Fiscal year 2015 expenses that were included in the "Higher Education Support" function under governmental activities in the Statement of Activities for state assistance to the local community and technical colleges are presented below (dollars in thousands).

	Operating Subsidies	Capital Subsidies	Total
Local Community Colleges:			
Cuyahoga	$ 63,829	$ 7,988	$ 71,817
Eastern Gateway	5,955	135	6,090
Lakeland	18,617	841	19,458
Lorain County	24,881	3,468	28,349
Rio Grande	5,535	1,042	6,577
Sinclair	46,349	461	46,810
Total Local Community Colleges	165,166	13,935	179,101
Technical Colleges:			
Belmont	5,452	5,007	10,459
Central Ohio	11,575	119	11,694
Hocking	13,516	386	13,902
James A. Rhodes	10,292	1,120	11,412
Marion	6,922	-	6,922
Zane	8,319	542	8,861
North Central	7,510	2,815	10,325
Stark	27,682	4,990	32,672
Total Technical Colleges	91,268	14,979	106,247
Total	$ 256,434	$ 28,914	$ 285,348

Information for obtaining complete financial statements for each of the primary government's joint ventures is available from the Ohio Office of Budget and Management.

B. Related Organizations

Officials of the State's primary government appoint a voting majority of the governing boards of the Ohio Housing Finance Agency, the Ohio Water Development Authority, the Petroleum Underground Storage Tank Release Compensation Board, the Higher Education Facility Commission, and the Ohio Legal Assistance Foundation. However, the primary government's accountability for these organizations does not extend beyond making the appointments.

NOTE 19 JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

During fiscal year 2015, the State had the following related-party transactions with its related organizations:

- The General Fund reports a $161.8 million loans receivable balance due from the Ohio Housing Finance Agency. The State made the loans to finance and support the agency's housing programs.

- Separate funds, established for the Ohio Housing Finance Agency, the Petroleum Underground Storage Tank Release Compensation Board, and the Higher Education Facility Commission, were accounted for on the primary government's Ohio Administrative Knowledge System. The primary purpose of the funds is to streamline payroll and other administrative disbursement processing for these organizations. The financial activities of the funds, which do not receive any funding support from the primary government, have been included in the agency funds.

- From the Job, Family and Other Human Services Fund, the Public Defender's Office paid the Ohio Legal Assistance Foundation approximately $3 million for administrative services performed under contract for the distribution of state funding to nonprofit legal aid societies.

NOTE 20 CONTINGENCIES AND COMMITMENTS

A. Litigation

The State, its units, and employees are parties to numerous legal proceedings, which normally occur in governmental operations. Pending litigation affecting the Department of Natural Resources and the Bureau of Workers' Compensation/Industrial Commission is discussed below. All other legal proceedings are not, in the opinion of management after consultation with the Attorney General, likely to have a material adverse effect on the State's financial position.

Department of Natural Resources (DNR)

In *State ex rel. Merrill v. Ohio Dept. of Natural Resources*, a class action case brought by owners of property bordering Lake Erie, the plaintiffs sought declaratory relief as to title for shoreline land consistent with their deeds (that the phrase "natural shoreline" is not synonymous with "ordinary high-water mark" and therefore the legal boundary of their properties extends beyond the point claimed by DNR). Plaintiffs also sought a writ of mandamus to compel appropriations from the State and DNR for taking of this land. On December 11, 2007, the Lake County Common Pleas Court granted plaintiffs' Motion for Summary Judgment as to the plaintiff's declaratory judgment count. The count seeking a writ of mandamus was stayed pending resolution of the declaratory judgment action. On appeal, the Eleventh District issued its opinion substantially affirming the trial court's granting of Summary Judgment to Plaintiffs-Appellees. The State and other defendants subsequently sought review and on September 14, 2011, the Ohio Supreme Court reversed the lower court holdings that the phrase "natural shoreline" means "a moveable boundary consisting of the water's edge." Instead, the Court held the phrase to mean the "line at which water usually stands when free from disturbing causes." While the Court did not provide as to how to apply this definition, it did reject the various definitions litigated in the lower courts. Specifically, the Supreme Court rejected the various contentions that "natural shoreline" meant "ordinary high water mark," "ordinary low water mark" or "a moveable boundary consisting of the water's edge".

Upon remand, the Lake County Common Pleas Court issued an order that, among other things: 1) established the "natural shoreline" as a factual matter; 2) voided and invalidated all leases between DNR and the plaintiff landowners consistent with the Court's ruling as to the "natural shoreline;" 3) required DNR to return all submerged land lease fees collected since 1998 that were predicated on the voided leases; and 4) certified a class with regard to the previously stayed mandamus action. The State appealed the trial court's order to the Eleventh District. The Eleventh District affirmed the trial court's ruling, and on May 15, 2014, the State appealed to the Ohio Supreme Court. The Ohio Supreme Court refused to accept the State's appeal. The case was returned to the trial court where the trial court agreed to 1) reconsider class certification, and 2) determine whether the State's prior error in claiming public trust ownership to the ordinary high water mark determination constituted a "taking" of property that must be compensated. Briefing is expected to conclude in the first quarter of calendar year 2016. The ultimate outcome of this litigation cannot be presently determined. Accordingly, no provision for any liability resulting from this case has been reported in the financial statements

NOTE 20 CONTINGENCIES AND COMMITMENTS (Continued)

Bureau of Workers' Compensation/Industrial Commission (BWC/IC)
In the San Allen, Inc. dba Corky and Lenny's v. BWC class action case, plaintiffs alleged that non-group-rated employers subsidize group-rated employers, and that this bias in premiums violated various provisions of the Ohio Constitution. Plaintiffs asked the court to declare the group rating plan unconstitutional and require BWC to repay to the class members all excessive premiums collected by BWC, with interest and attorney fees. The parties agreed to settle this global class-action on July 23, 2014, with payment from BWC in the amount of $420 million. The class action settlement was paid in fiscal year 2015.

B. Federal Awards
The State of Ohio receives significant awards from the Federal Government in the form of grants and entitlements, including certain non-cash programs. Receipt of grants is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the spending of resources for eligible purposes. Substantially all grants are subject to either the Federal Single Audit or to financial compliance audits by the grantor agencies of the federal government or their designees. Disallowances and sanctions as a result of these audits may become liabilities to the State.

Federal Single Audit
As a result of the fiscal year 2014 State of Ohio Single Audit (issued in February 2015), $36 thousand of federal expenditures were in question as not being appropriate under the terms of the respective grants. No provision for any liability or adjustments has been recognized for these questioned costs in the state's financial statements for the fiscal year ended June 30, 2015.

Department of Job and Family Services (JFS)
The Hamilton County Department of Job and Family Services' (HCDJFS) receives federal funding from JFS. JFS conducted an audit of HCDJFS records for the July 1, 2001 — June 30, 2004 period and issued findings on May 1, 2008. Thereafter, the HHS-OIG conducted an audit of HCDJFS on behalf of Administration for Children and Families (ACF), a division of the U.S. Dept. of Health and Human Services (HHS), and issued disallowances. JFS appealed the majority of the findings to the HHS Departmental Appeals Board (DAB). By Decision No. 2643 dated June 17, 2015, the DAB upheld the disallowances finding improper use of cost pools, lack of source documentation, and an unreliable financial management system caused the disallowances to be upheld. Total disallowances include a Title XX, Social Services Block Grant held in abeyance. In fiscal year 2015, an intergovernmental liability has been recorded for the amount estimated to be repaid to HHS (see NOTE 6) and an intergovernmental receivable has been recorded for the amount estimated to be recovered from HCDJFS (see NOTE 5.)

C. Tobacco Settlement
In November 1998, the Attorneys General of 46 states, five U.S. territories, and the District of Columbia signed the Master Settlement Agreement (MSA) with the nation's largest tobacco manufacturers. This signaled the end of litigation brought by the Attorneys General against the manufacturers in 1996 for state healthcare expenses attributed to smoking–related claims. The remaining four states (Florida, Minnesota, Mississippi, and Texas) settled separately.

According to the MSA, participating tobacco manufacturers are required to adhere to a variety of new marketing and lobbying restrictions and provide payments to the states in perpetuity.

As of October 23, 2007, the State transferred future rights to the Master Settlement Agreement revenue to the Buckeye Tobacco Settlement Financing Authority (BTSFA).

While BTSFA's share of the total base payments to the states through 2052 will not change over time, estimating the amount of annual payments that actually will be received in any given year can be complex, since under the terms of the MSA, payments are subject to a number of adjustment factors, including an inflation adjustment, a volume adjustment, and a potential adjustment for market share losses of participating manufacturers. Some of these adjustments, such as the inflation adjustment, result in BTSFA receiving higher payments. Other factors, such as the volume adjustment and the market share adjustment can work to reduce the amount of the State's annual payments.

NOTE 20 CONTINGENCIES AND COMMITMENTS (Continued)

In addition to the base payments, BTSFA will receive payments from the Strategic Contribution Fund. The Strategic Contribution Fund was established to reward states that played leadership roles in the tobacco litigation and settlement negotiations. Allocations from the fund are based on a state's contribution to the litigation and settlement with the tobacco companies. These payments are also subject to the adjustment factors outlined in the MSA.

During fiscal year 2015, Ohio received $285.8 million, which is approximately $110.4 million or 27.9 percent less than the pre-adjusted base payment for the year.

As of June 30, 2015, the estimated tobacco settlement receivable in the amount of $465.2 million is included in "Other Receivables" reported for the governmental funds. The receivable includes $259.8 million for payments withheld from BTSFA beginning fiscal year 2008 and $34.1 million for payments withheld from the State for fiscal years 2006 and 2007. These amounts were withheld by the cigarette manufacturers when they exercised the market share loss provisions of the MSA. The moneys are on deposit in an escrow account until pending litigation between the States and the manufacturers is resolved. Both the Authority and the State contend that they have met their obligations under the MSA and are due the payments withheld.

The Tobacco Settlement receipts provide funding for the construction of primary and secondary school capital facilities, education technology for primary and secondary education and for higher education, programs for smoking cessation and other health-related purposes, biomedical research and technology, and assistance to tobacco-growing areas in Ohio.

The BTSFA revenue bonds are secured by and payable solely from the tobacco settlement receipts and other collateral pledged under an indenture between BTSFA and U.S. Bank National Association, as trustee. In the event that the assets of BTSFA have been exhausted, no amounts will thereafter be paid on the bonds.

The enforcement of the terms of the MSA has been challenged by lawsuits and may continue to be challenged in the future. In the event of an adverse court ruling, BTFSA may not have adequate financial resources to make payment on the bonds.

A schedule of pre-adjusted base payments and payments from the Strategic Contribution Fund for the State of Ohio in future years follows (dollars in thousands):

Year Ending June 30,	Pre-adjusted MSA Base Payments	Pre-Adjusted Payments from the Strategic Contribution Fund	Total
2016.....	$ 376,307	$ 24,791	$ 401,098
2017.....	380,940	25,096	406,036
2018.....	431,325	—	431,325
2019.....	436,331	—	436,331
2020.....	441,189	—	441,189
2021-2025.....	2,287,980	—	2,287,980
2026-2030.....	2,440,318	—	2,440,318
2031-2035.....	2,607,356	—	2,607,356
2036-2040.....	2,777,330	—	2,777,330
2041-2045.....	2,956,978	—	2,956,978
2046-2050.....	3,146,926	—	3,146,926
2051-2052.....	1,316,176	—	1,316,176
Total	$ 19,599,156	$ 49,887	$ 19,649,043

NOTE 20 CONTINGENCIES AND COMMITMENTS (Continued)

D. Construction Commitments

As of June 30, 2015, the Ohio Department of Transportation had total contractual commitments of approximately $3.18 billion for highway construction projects. Funding for future projects is expected to be provided from federal, primary government, general obligation and revenue bonds, and local government sources in amounts of $1.47 billion, $1.17 billion, $443.5 million, and $101.2 million, respectively.

As of June 30, 2015, other major non-highway construction commitments for the primary government's budgeted capital projects funds and major discretely presented component unit funds were as follows (dollars in thousands):

Primary Government	
Mental Health/Developmental Disabilities Facilities Improvements	$ 49,689
Parks and Recreation Improvements	33,264
Administrative Services Building Improvements	41,931
Youth Services Building Improvements	5,747
Adult Correctional Building Improvements	50,823
Highway Safety Building Improvements	83
Ohio Parks and Natural Resources	30,242
Transportation Building Improvements	27,736
Total	$ 239,515
Major Discretely Presented Component Units	
Ohio State University	$ 320,201

E. Pollution Remediation Activities

During fiscal year 2015, the State was involved in remediation activities for pollution as described in the following paragraph. These activities include site investigation, cleanup, and monitoring. The associated estimated cost of remediation activities is shown below (in general, projects with a liability of less than $1 million at June 30 are not listed).

The Ohio Department of Transportation has been named as a responsible party to remediate pollution resulting from contaminated soil on the agency-owned property and contaminated groundwater on the surrounding properties. The June 30 liability to eliminate the pollution and continue monitoring activities is estimated to be $1.6 million. Cost was estimated by the onsite coordinators using actual invoices to date.

The liability described above is reported as "Other Noncurrent Liabilities-Due in One Year" and "Other Noncurrent Liabilities-Due in More Than One Year" for governmental activities in the government-wide Statement of Net Position. The reported liability for these activities is an estimate and is subject to change over time. Variances in the final costs may result from changes in technology, changes in responsible parties, results of environmental studies, and changes in laws and regulations. Future recoveries from other responsible parties may also reduce the final cost paid by the State.

Capital assets may be created during the pollution remediation process. These capital assets will be reported in accordance with the State's capital assets policy. As of June 30, 2015, no capital assets were created nor reported as a result of any pollution remediation process.

F. Encumbrances

At June 30, 2015, the State has significant encumbrances of $511.5 million in the General Fund, $985.8 million in the Job, Family and Other Human Services Special Revenue Fund, and $4.23 billion in the nonmajor governmental funds.

NOTE 21 RISK FINANCING

A. Workers' Compensation Benefits

The Ohio Workers' Compensation System, which the Ohio Bureau of Workers' Compensation and the Industrial Commission of Ohio administer, is the exclusive provider of workers' compensation insurance to private and public employers in Ohio who are not self-insured. The Workers' Compensation Enterprise Fund (Fund) provides benefits to employees for losses sustained from job-related injury, disease, or death.

"Benefits Payable" of $16.39 billion is reported in the Fund as of June 30, 2015. This amount represents reserves for indemnity and medical claims resulting from work-related injuries or illnesses, including actuarial estimates for both reported claims and claims incurred but not reported. The liability is based on the estimated ultimate cost of settling claims, including the effects of inflation and other societal and economic factors and projections as to future events, including claims frequency, severity, persistency, and inflationary trends for medical claims reserves. The compensation adjustment expenses liability, which is included in "Other Liabilities" in the amount of approximately $1.81 billion, is an estimate of future expenses to be incurred in the settlement of claims. The estimate for this liability is based on projected claim-related expenses, estimated costs of the managed care Health Partnership Program, nonincremental adjustment expense, and the reserve for compensation.

Management of the Bureau of Workers' Compensation and the Industrial Commission believes that the recorded reserves for compensation and compensation adjustment expenses make for a reasonable and appropriate provision for expected future losses. While management uses available information to estimate the reserves for compensation and compensation adjustment expenses, future changes to the reserves for compensation and compensation adjustment expenses may be necessary based on claims experience and changing claims frequency and severity conditions. The methods of making such estimates and for establishing the resulting liabilities are reviewed quarterly and updated based on current circumstances. Any adjustments resulting from changes in estimates are recognized in the current period.

Benefits payable and the compensation adjustment expenses liability have been discounted at four percent to reflect the present value of future benefit payments. The selected discount rate approximates an average yield on United States government securities with durations similar to the expected claims underlying the Fund's reserves. The undiscounted reserves for the benefits and compensation adjustment expenses totaled $30.7 billion, as of June 30, 2015, and $31.7 billion, as of June 30, 2014. For additional information, refer to the Fund's separate audited financial report, for the fiscal year ended June 30, 2015.

Changes in the balance of benefits payable and the compensation adjustment expenses liability for the Workers' Compensation Program during the past two fiscal years are presented in the table below.

Primary Government
Changes in Workers' Compensation Benefits Payable and Compensation Adjustment Expenses Liability
Last Two Fiscal Years
(dollars in millions)

	Fiscal Year 2015	Fiscal Year 2014
Benefits Payable and Compensation Adjustment Expenses Liability, as of July 1	$ 18,722	$ 19,190
Incurred Compensation and Compensation Adjustment Benefits	1,395	1,516
Incurred Compensation and Compensation Adjustment Benefit Payments and Other Adjustments	(1,922)	(1,984)
Benefits Payable and Compensation Adjustment Expenses Liability, as of June 30	$ 18,195	$ 18,722

NOTE 21 RISK FINANCING (Continued)

B. State Employee Healthcare Plan

Employees of the State's primary government have the option of participating in the Ohio Med PPO Plan (Plan). The Plan is managed by two third party administrators (TPAs), Medical Mutual of Ohio (MMO) and United Healthcare (UHC). The two TPAs are responsible for processing claims for separate regions throughout the State.

When it is probable that a loss has occurred and the amount of the loss can be reasonably estimated, liabilities are reported in the governmental and proprietary funds for claims that have been incurred but not reported. The Plan's actuaries calculate estimated claims liabilities based on prior claims data, employee enrollment figures, medical trends, and experience.

Governmental and proprietary funds pay a share of the costs for claims settlement based on the number of employees opting for plan participation and the type of coverage selected by participants. The payments are reported in the Payroll Withholding and Fringe Benefits Agency Fund (Agency Fund) until such time that the accumulated resources are distributed to MMO or UHC for claims settlement.

For governmental funds, claims are recognized as expenditures to the extent that the amounts are payable with expendable available financial resources. For governmental and business-type activities, claims are recognized in the Statement of Activities as expenses when incurred.

As of June 30, 2015, approximately $139 million in total assets was available in the Agency Fund to cover healthcare claims. Changes in the balance of claims liabilities for the Plan during the past two fiscal years were as follows (dollars in thousands):

Ohio Med PPO		
	Fiscal Year 2015	Fiscal Year 2014
Claims Liabilities, as of July 1	$ 48,216	$ 45,843
Incurred Claims	467,729	455,827
Claims Payments	(467,731)	(453,454)
Claims Liabilities, as of June 30	$ 48,214	$ 48,216

As of June 30, 2015, the resources on deposit in the Agency Fund exceeded the estimated claims liability by approximately $90.8 million, thereby resulting in a funding surplus. Eighty-five percent or $77.2 million of the surplus, representing the employer share, was reallocated back to the governmental and proprietary funds, with a resulting reduction in expenditures/expenses.

C. Other Risk Financing Programs

The primary government has established programs to advance fund potential losses for vehicular liability and theft in office. The potential amount of loss arising from these risks, however, is not considered material in relation to the State's financial position.

NOTE 22 SUBSEQUENT EVENTS

Bond Issuances

Subsequent to June 30, 2015, the State issued major debt as detailed in the table below:

Debt Issuances
Subsequent to June 30, 2015
(dollars in thousands)

	Date Issued	Net Interest Rate or True Interest Cost	Amount
Primary Government:			
Infrastructure Improvements, Series 2015B	09/15/15	3.32%	$ 150,000
Conservation Projects, Series 2015B	09/15/15	2.88%	50,000
Infrastructure Improvements, Refunding Series 2015C	09/15/15	2.18%	50,390
Higher Education Capital Facilities, Series 2015C	10/20/15	3.12%	300,000
Total General Obligation Bonds			550,390
Treasurer of State-Special Obligation Bonds:			
Cultural and Sports Capital Facilities, Series 2015B	08/04/15	2.24%	30,000
Adult Correctional Facilities, Series 2015B	11/10/15	3.56%	70,000
Total Special Obligation Bonds			100,000
Total Primary Government			$ 650,390

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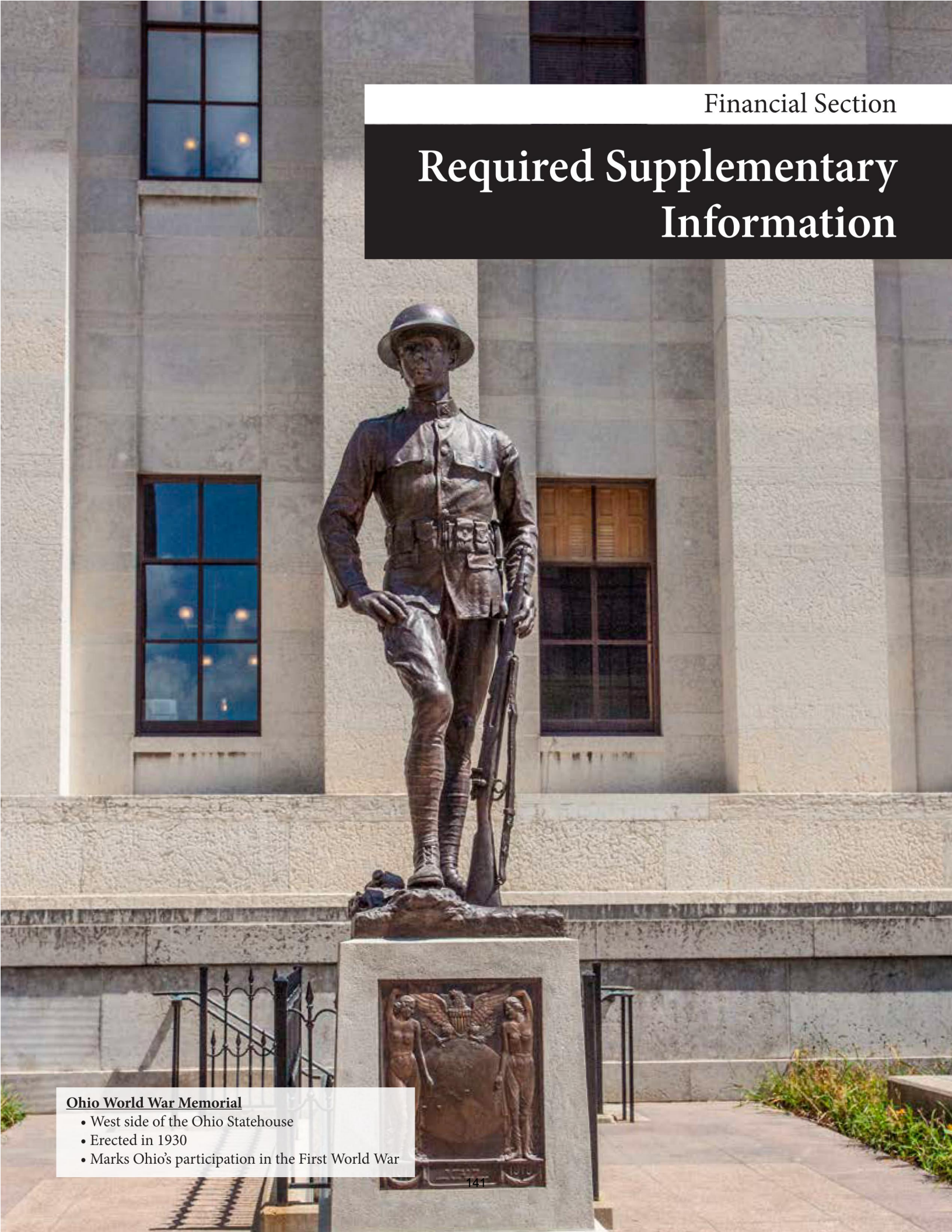
Required Supplementary Information



Ohio World War Memorial

- West side of the Ohio Statehouse
- Erected in 1930
- Marks Ohio's participation in the First World War

Infrastructure Assets Accounted for Using the Modified Approach

Pavement Network

The Ohio Department of Transportation conducts annual condition assessments of its Pavement Network. The State manages its pavement system by means of annual, visual inspections by trained pavement technicians. Technicians rate the pavement using a scale of 1 (minimum) to 100 (maximum) based on a Pavement Condition Rating (PCR). This rating examines items such as cracking, potholes, deterioration of the pavement, and other factors. It does not include a detailed analysis of the pavement's subsurface conditions.

Ohio accounts for its pavement network in two subsystems: *Priority*, which comprises interstate highways, freeways, and multi-lane portions of the National Highway System, and *General*, which comprises two-lane routes outside of cities.

For the Priority Subsystem, it is the State's intention to maintain at least 75 percent of the pavement at a PCR level of at least 65, and to allow no more than 25 percent of the pavement to fall below a 65 PCR level. For the General Subsystem, it is the State's intention to maintain at least 75 percent of the pavement at a PCR level of at least 55, and to allow no more than 25 percent of the pavement to fall below a 55 PCR level.

Pavement Network
Condition Assessment Data

Priority Subsystem

	Pavement Condition Ratings (PCR)									
	Excellent PCR = 85-100		Good PCR = 75-84		Fair PCR = 65-74		Poor PCR = Below 65		Total	
Fiscal Year	Lane-Miles	%	Lane-Miles	%	Lane-Miles	%	Lane-Miles	%	Lane-Miles	%
2015	8,724	63.51	3,944	28.71	901	6.56	168	1.22	13,737	100.00
2014	9,172	67.19	3,528	25.85	797	5.84	153	1.12	13,650	100.00
2013	9,177	67.98	3,299	24.44	786	5.82	237	1.76	13,499	100.00
2012	9,145	69.76	2,828	21.57	971	7.41	165	1.26	13,109	100.00
2011	9,009	68.99	2,897	22.18	863	6.61	290	2.22	13,059	100.00

General Subsystem

	Pavement Condition Ratings (PCR)									
	Excellent PCR = 85-100		Good PCR = 75-84		Fair PCR = 55-74		Poor PCR = Below 55		Total	
Fiscal Year	Lane-Miles	%	Lane-Miles	%	Lane-Miles	%	Lane-Miles	%	Lane-Miles	%
2015	14,213	48.25	8,556	29.04	6,506	22.08	186	0.63	29,461	100.00
2014	15,341	51.98	7,838	26.56	6,087	20.63	246	0.83	29,512	100.00
2013	14,841	50.15	8,038	27.16	6,403	21.64	309	1.05	29,591	100.00
2012	14,610	48.83	8,415	28.13	6,600	22.06	293	0.98	29,918	100.00
2011	15,198	50.78	8,062	26.93	6,292	21.02	380	1.27	29,932	100.00

Infrastructure Assets Accounted for Using the Modified Approach (Continued)

Pavement Network
Comparison of Estimated-to-Actual Maintenance and Preservation Costs
(dollars in thousands)

Priority Subsystem

Fiscal Year	Estimated	Actual
2015	$482,291	$526,202
2014	504,669	482,849
2013	454,299	521,908
2012	403,829	438,510
2011	406,058	419,955

General Subsystem

Fiscal Year	Estimated	Actual
2015	$287,411	$361,582
2014	266,985	344,005
2013	285,563	352,769
2012	211,210	357,337
2011	258,410	342,202

Bridge Network

The Ohio Department of Transportation conducts annual inspections of all bridges in the State's Bridge Network. The inspections cover major structural items such as piers and abutments, and assign a General Appraisal Condition Rating (GACR) from 0 (minimum) to nine (maximum) based on a composite measure of these major structural items.

It is the State's intention to maintain at least 85 percent of the square feet of deck area at a general appraisal condition rating level of at least five, and to allow no more than 15 percent of the number of square feet of deck area to fall below a general appraisal condition rating level of five.

Bridge Network
Condition Assessment Data
(square feet in thousands)

	General Appraisal Condition Ratings (GACR)									
	Excellent GACR = 7-9		Good GACR = 5-6		Fair GACR = 3-4		Poor GACR = 0-2		Total	
Fiscal Year	Sq Ft Deck Area	%	Sq Ft Deck Area	%	Sq Ft Deck Area	%	Sq Ft Deck Area	%	Sq Ft Deck Area	%
2015	64,945	61.15	38,702	36.44	2,541	2.39	18	0.02	106,206	100.00
2014	62,239	58.46	40,626	38.15	3,609	3.39	0	0.00	106,474	100.00
2013	58,649	55.49	43,129	40.81	3,908	3.70	4	0.00	105,690	100.00
2012	56,082	53.25	45,029	42.76	4,156	3.95	42	0.04	105,309	100.00
2011	52,590	49.74	49,064	46.41	4,024	3.81	43	0.04	105,721	100.00

Infrastructure Assets Accounted for Using the Modified Approach (Continued)

Bridge Network
Comparison of Estimated-to-Actual Maintenance and Preservation Costs
(dollars in thousands)

Fiscal Year	Estimated	Actual
2015	$534,578	$571,689
2014	550,629	528,001
2013	484,103	513,637
2012	508,955	511,486
2011	433,593	409,690

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STATE OF OHIO

SCHEDULE OF NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
AS OF THE CURRENT MEASUREMENT DATE
(dollars in thousands)

	2014
Employer's Proportion of the Collective Net Pension Liability	20.73%
Employer's Proportionate Share of the Collective Net Pension Liability	$ 2,496,359
Employer's Covered Payroll	$ 2,608,075
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	95.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%

STATE OF OHIO

SCHEDULE OF EMPLOYER CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE CURRENT FISCAL YEAR
(dollars in thousands)

		2015
Statutorily Required Employer Contribution	$	365,010
Actual Employer Contributions Received		365,010
Difference	$	-
Covered Payroll	$	2,608,075
Actual Employer Contributions Received as a Percentage of Covered Payroll		14.00%

STATE OF OHIO

SCHEDULE OF NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM
AS OF THE CURRENT MEASUREMENT DATE
(dollars in thousands)

		2014
Employer's Proportion of the Collective Net Pension Liability		0.41%
Employer's Proportionate Share of the Collective Net Pension Liability	$	99,431
Employer's Covered Payroll	$	41,996
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll		236.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		74.71%

STATE OF OHIO

SCHEDULE OF EMPLOYER CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM
FOR THE CURRENT FISCAL YEAR
(dollars in thousands)

		2015
Statutorily Required Employer Contribution	$	5,879
Actual Employer Contributions Received		5,879
Difference	$	-
Covered Payroll	$	41,996
Actual Employer Contributions Received as a Percentage of Covered Payroll		14.00%

STATE OF OHIO

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
STATE HIGHWAY PATROL RETIREMENT SYSTEM
AS OF THE CURRENT MEASUREMENT DATE
(dollars in thousands)

		2014
Total Pension Liability		
Service Cost	$	17,657
Interest on the Total Pension Liability		79,175
Benefit Payments		(64,526)
Refunds		(2,177)
Net Change in Total Pension Liability		**30,129**
Total Pension Liability - Beginning		**1,014,217**
Total Pension Liability - Ending (a)	**$**	**1,044,346**
Plan Fiduciary Net Position		
Employer Contributions	$	22,325
Employee Contributions		11,577
Pension Plan Net Investment Income		45,105
Benefit Payments		(64,526)
Refunds		(2,177)
Pension Plan Administrative Expense		(1,031)
Other		421
Net Change in Plan Fiduciary Net Position		**11,694**
Plan Fiduciary Net Position - Beginning		**728,968**
Plan Fiduciary Net Position - Ending (b)	**$**	**740,662**
Net Pension Liability - Ending (a) - (b)	**$**	**303,684**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		70.92%
Covered Employee Payroll	$	89,878
Net Pension Liability as a Percentage of Covered Employee Payroll		337.88%

Notes to Schedule:

There were no significant changes to benefits terms or assumptions subsequent to the measurement date.
Covered payroll excludes Deferred Retirement Option Program (DROP) employees.

STATE OF OHIO

SCHEDULE OF NET PENSION LIABILITY
STATE HIGHWAY PATROL RETIREMENT SYSTEM
AS OF THE CURRENT MEASUREMENT DATE
(dollars in thousands)

		2014
Total Pension Liability	$	1,044,346
Plan Fiduciary Net Position		740,662
Net Pension Liability	$	303,684
Plan Net Position as a Percentage of Total Pension Liability		70.92%
Covered Payroll	$	89,878
Net Pension Liability as a Percentage of Covered Payroll		337.88%

Notes to Schedule:
Covered payroll excludes Deferred Retirement Option Program (DROP) employees.

STATE OF OHIO

SCHEDULE OF EMPLOYER CONTRIBUTIONS
STATE HIGHWAY PATROL RETIREMENT SYSTEM
FOR THE LAST TEN CALENDAR YEARS
(dollars in thousands)

	2014	2013	2012	2011
Actuarially Determined Contribution	$ 29,767	$ 35,430	$ 30,488	$ 26,956
Actual Employer Contributions Received	22,325	22,908	23,766	22,966
Difference	$ 7,442	$ 12,522	$ 6,722	$ 3,990
Covered Payroll	$ 99,212	$ 98,520	$ 98,117	$ 93,126
Actual Employer Contributions Received as a Percentage of Covered Payroll	22.50%	23.25%	24.22%	24.66%

Notes to Schedule:

Covered payroll includes Deferred Retirement Option Program (DROP) employees.

2010	2009	2008	2007	2006	2005
$ 22,872	$ 19,978	$ 21,221	$ 21,666	$ 19,567	$ 18,468
21,212	20,454	20,302	19,957	19,264	18,468
$ 1,660	$ (476)	$ 919	$ 1,709	$ 303	$ -
$ 94,768	$ 94,825	$ 94,302	$ 93,753	$ 85,878	$ 83,408
22.38%	21.57%	21.53%	21.29%	22.43%	22.14%

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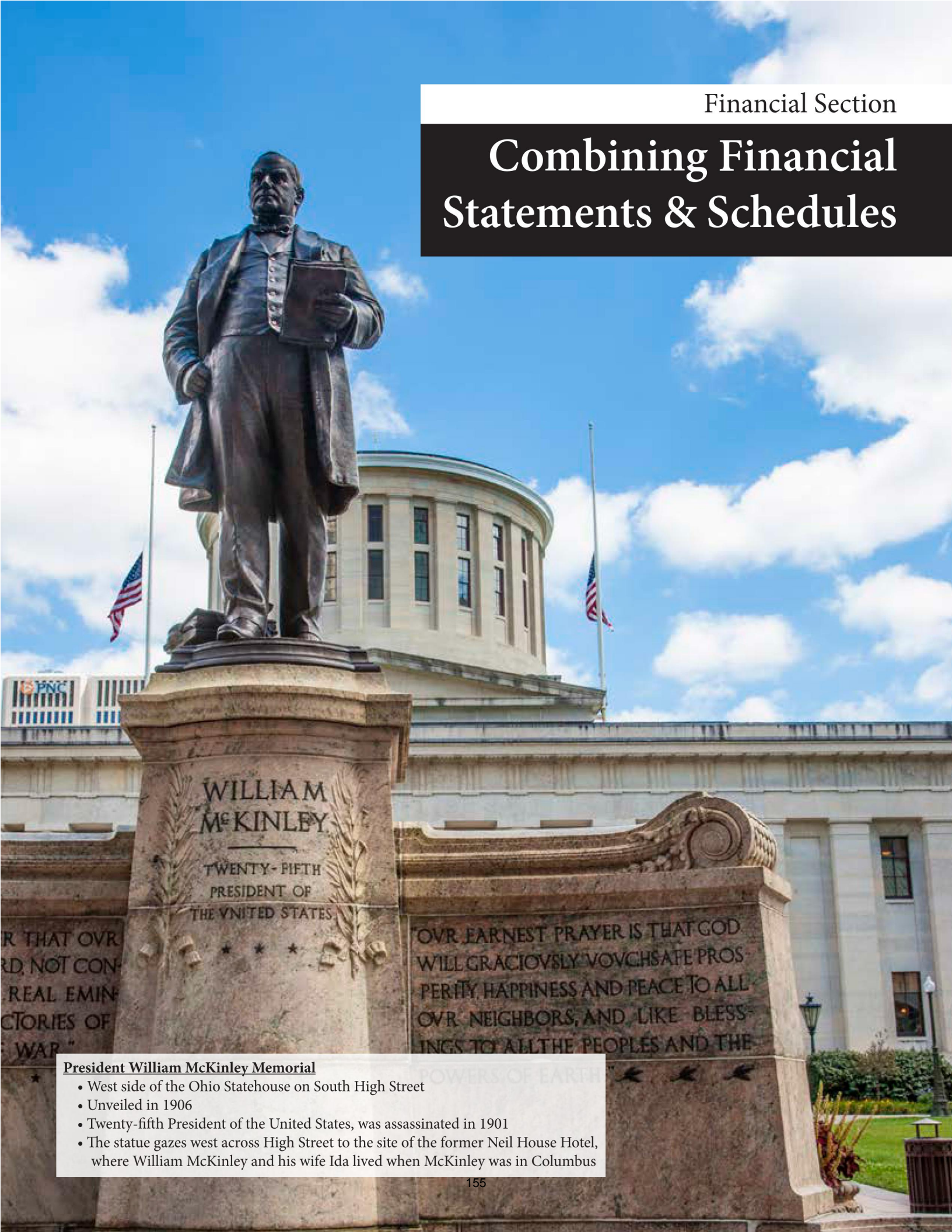
Combining Financial Statements & Schedules



President William McKinley Memorial

- West side of the Ohio Statehouse on South High Street
- Unveiled in 1906
- Twenty-fifth President of the United States, was assassinated in 1901
- The statue gazes west across High Street to the site of the former Neil House Hotel, where William McKinley and his wife Ida lived when McKinley was in Columbus

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The Special Revenue Funds account for specific revenues that are legally restricted to expenditure for particular purposes.

Debt Service Funds

The Debt Service Funds account for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

Capital Projects Funds

The Capital Projects Funds account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

STATE OF OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015
(dollars in thousands)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
ASSETS:			
Cash Equity with Treasurer	$ 2,830,549	$ 203	$ 654,982
Cash and Cash Equivalents	39,871	1,126	47,894
Investments	12,473	8,310	18,885
Collateral on Lent Securities	690,009	48	159,667
Taxes Receivable	99,164	—	—
Intergovernmental Receivable	456,017	—	—
Loans Receivable, Net	101,457	—	—
Interfund Receivable	1,297	—	—
Receivable from Component Units	30,021	—	—
Other Receivables	36,971	—	—
Inventories	80,141	—	—
TOTAL ASSETS	**$ 4,377,970**	**$ 9,687**	**$ 881,428**
LIABILITIES:			
Accounts Payable	$ 339,519	$ 24	$ 49,648
Accrued Liabilities	56,645	—	—
Medicaid Claims Payable	240,862	—	—
Obligations Under Securities Lending	690,009	48	159,667
Intergovernmental Payable	207,320	—	—
Interfund Payable	163,163	—	—
Payable to Component Units	7,070	—	—
Unearned Revenue	54,339	—	—
Refund and Other Liabilities	—	695	—
TOTAL LIABILITIES	1,758,927	767	209,315
DEFERRED INFLOWS OF RESOURCES	39,843	—	—
FUND BALANCES (DEFICITS):			
Nonspendable	80,141	—	—
Restricted	1,940,488	8,920	672,113
Committed	558,877	—	—
Unassigned	(306)	—	—
TOTAL FUND BALANCES (DEFICITS)	2,579,200	8,920	672,113
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 4,377,970**	**$ 9,687**	**$ 881,428**

	TOTAL
$	3,485,734
	88,891
	39,668
	849,724
	99,164
	456,017
	101,457
	1,297
	30,021
	36,971
	80,141
$	**5,269,085**

$	389,191
	56,645
	240,862
	849,724
	207,320
	163,163
	7,070
	54,339
	695
	1,969,009
	39,843
	80,141
	2,621,521
	558,877
	(306)
	3,260,233
$	**5,269,085**

STATE OF OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
REVENUES:			
Income Taxes	$ 11,067	$ —	$ —
Sales Taxes	4,663	—	—
Corporate and Public Utility Taxes	89,547	—	—
Motor Vehicle Fuel Taxes	712,592	—	—
Other Taxes	303,825	—	—
Licenses, Permits and Fees	1,217,814	—	—
Sales, Services and Charges	39,464	—	—
Federal Government	5,982,162	—	—
Investment Income (Loss)	8,228	426	2,369
Other	834,164	86	5,507
TOTAL REVENUES	**9,203,526**	**512**	**7,876**
EXPENDITURES:			
CURRENT OPERATING:			
Primary, Secondary and Other Education	3,035,819	—	501
Higher Education Support	27,337	—	—
Public Assistance and Medicaid	1,911,906	—	—
Health and Human Services	616,438	—	—
Justice and Public Protection	689,962	—	—
Environmental Protection and Natural Resources	320,343	—	—
Transportation	2,826,416	—	—
General Government	338,572	—	—
Community and Economic Development	961,894	—	—
CAPITAL OUTLAY	32,571	—	466,246
DEBT SERVICE	—	1,636,642	—
TOTAL EXPENDITURES	**10,761,258**	**1,636,642**	**466,747**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(1,557,732)**	**(1,636,130)**	**(458,871)**
OTHER FINANCING SOURCES (USES):			
Bonds, Notes, and COPs Issued	12,000	62,430	576,161
Refunding Bonds and COPs Issued	—	254,590	—
Payment to Refunded Bond and COPs Escrow Agents	—	(382,933)	—
Premiums/Discounts	2,006	88,751	80,706
Transfers-in	1,748,879	1,600,955	—
Transfers-out	(458,697)	—	(780)
TOTAL OTHER FINANCING SOURCES (USES)	**1,304,188**	**1,623,793**	**656,087**
NET CHANGE IN FUND BALANCES	**(253,544)**	**(12,337)**	**197,216**
FUND BALANCES (DEFICITS), July 1	2,828,265	21,257	474,897
Increase (Decrease) for Changes in Inventories	4,479	—	—
FUND BALANCES (DEFICITS), JUNE 30	**$ 2,579,200**	**$ 8,920**	**$ 672,113**

	TOTAL
$	11,067
	4,663
	89,547
	712,592
	303,825
	1,217,814
	39,464
	5,982,162
	11,023
	839,757
	9,211,914
	3,036,320
	27,337
	1,911,906
	616,438
	689,962
	320,343
	2,826,416
	338,572
	961,894
	498,817
	1,636,642
	12,864,647
	(3,652,733)
	650,591
	254,590
	(382,933)
	171,463
	3,349,834
	(459,477)
	3,584,068
	(68,665)
	3,324,419
	4,479
$	**3,260,233**

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NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds account for specific revenues that are legally restricted to expenditure for particular purposes.

Education Fund
The Education Fund accounts for programs administered by the Department of Education, the Ohio Board of Regents, and other various state agencies, which prescribe the State's minimum educational requirements and which provide funding and assistance to local school districts for basic instruction and vocation and technical job training, and to the State's colleges and universities for post-secondary education.

Highway Operating Fund
The Highway Operating Fund accounts for programs administered by the Department of Transportation, which is responsible for the planning and design, construction, and maintenance of Ohio's highways, roads, and bridges and for Ohio's public transportation programs.

Community and Economic Development Fund
The Community and Economic Development Fund accounts for programs administered by the Department of Development and other various state agencies, which were created to assure the efficient use of resources for the State's community and economic growth and development.

Health Fund
The Health Fund accounts for public health programs primarily administered by the Department of Health, which promotes the prevention and treatment of diseases and illnesses through technical assistance, health education, and research.

Mental Health and Developmental Disabilities Fund
The Mental Health and Developmental Disabilities Fund accounts for mental health care and developmental disabilities programs primarily administered by the Department of Mental Health and the Department of Developmental Disabilities, which provide assistance, services, and medical care to those individuals with mental health and developmental disability problems.

Highway Safety Fund
The Highway Safety Fund accounts for public safety programs primarily administered by the Department of Public Safety, which enforces traffic-related laws for the purpose of reducing accidents, deaths, injuries, and property damages on Ohio's highways.

Natural Resources Fund
The Natural Resources Fund accounts for environmental programs administered by the Department of Natural Resources, the Environmental Protection Agency, and other various state agencies, which promote, protect, and manage the State's natural resources and environment.

Wildlife and Waterways Safety Fund
The Wildlife and Waterways Safety Fund accounts for programs administered by the Department of Natural Resources' Divisions of Wildlife and Watercraft, which promote, protect, and manage the State's wildlife and waterways and which provide technical assistance and education to the public.

Tobacco Settlement Fund
The Tobacco Settlement Fund accounts for various health, education, economic, and law enforcement-related programs funded with moneys received under the Master Settlement Agreement with the nation's largest tobacco companies.

STATE OF OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015
(dollars in thousands)

	EDUCATION	HIGHWAY OPERATING	COMMUNITY AND ECONOMIC DEVELOPMENT
ASSETS:			
Cash Equity with Treasurer	$ 253,022	$ 1,078,961	$ 636,241
Cash and Cash Equivalents	7	1	32,632
Investments	448	—	—
Collateral on Lent Securities	61,680	263,021	155,098
Taxes Receivable	—	70,681	26,766
Intergovernmental Receivable	91,885	104,633	12,317
Loans Receivable, Net	—	89,447	12,010
Interfund Receivable	—	—	—
Receivable from Component Units	—	30,021	—
Other Receivables	—	1,703	—
Inventories	1,899	56,616	—
TOTAL ASSETS	**$ 408,941**	**$ 1,695,084**	**$ 875,064**
LIABILITIES:			
Accounts Payable	$ 18,958	$ 193,376	$ 82,505
Accrued Liabilities	1,344	18,172	6,914
Medicaid Claims Payable	—	—	—
Obligations Under Securities Lending	61,680	263,021	155,098
Intergovernmental Payable	57,902	—	88,969
Interfund Payable	1,992	63,198	8,480
Payable to Component Units	2,594	1,331	2,279
Unearned Revenue	32,662	—	11,859
TOTAL LIABILITIES	177,132	539,098	356,104
DEFERRED INFLOWS OF RESOURCES	—	1,284	—
FUND BALANCES (DEFICITS):			
Nonspendable	1,898	56,617	—
Restricted	146,127	1,098,085	350,767
Committed	84,090	—	168,193
Unassigned	(306)	—	—
TOTAL FUND BALANCES (DEFICITS)	231,809	1,154,702	518,960
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 408,941**	**$ 1,695,084**	**$ 875,064**

HEALTH	MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES	HIGHWAY SAFETY	NATURAL RESOURCES	WILDLIFE AND WATERWAYS SAFETY	TOBACCO SETTLEMENT
$ 61,595	$ 243,840	$ 185,502	$ 289,394	$ 73,750	$ 8,244
48	—	4,216	2,078	5	884
—	—	—	—	—	12,025
15,015	59,441	45,220	70,546	17,978	2,010
97	—	—	—	1,620	—
26,111	221,071	—	—	—	—
—	—	—	—	—	—
1,297	—	—	—	—	—
—	—	—	—	—	—
—	—	—	1,102	—	34,166
21,626	—	—	—	—	—
$ 125,789	**$ 524,352**	**$ 234,938**	**$ 363,120**	**$ 93,353**	**$ 57,329**
$ 9,256	$ 8,815	$ 17,238	$ 5,527	$ 3,646	$ 198
2,653	4,617	13,706	6,995	2,219	25
—	240,862	—	—	—	—
15,015	59,441	45,220	70,546	17,978	2,010
21,526	38,923	—	—	—	—
2,726	55,223	21,463	5,084	4,995	2
512	163	13	30	148	—
685	—	—	9,133	—	—
52,373	408,044	97,640	97,315	28,986	2,235
4,078	343	—	—	—	34,138
21,626	—	—	—	—	—
39,596	91,811	83,257	116,240	14,442	163
8,116	24,154	54,041	149,565	49,925	20,793
—	—	—	—	—	—
69,338	115,965	137,298	265,805	64,367	20,956
$ 125,789	**$ 524,352**	**$ 234,938**	**$ 363,120**	**$ 93,353**	**$ 57,329**

(continued)

STATE OF OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015
(dollars in thousands)
(continued)

	TOTAL
ASSETS:	
Cash Equity with Treasurer	$ 2,830,549
Cash and Cash Equivalents	39,871
Investments	12,473
Collateral on Lent Securities	690,009
Taxes Receivable	99,164
Intergovernmental Receivable	456,017
Loans Receivable, Net	101,457
Interfund Receivable	1,297
Receivable from Component Units	30,021
Other Receivables	36,971
Inventories	80,141
TOTAL ASSETS	**$ 4,377,970**
LIABILITIES:	
Accounts Payable	$ 339,519
Accrued Liabilities	56,645
Medicaid Claims Payable	240,862
Obligations Under Securities Lending	690,009
Intergovernmental Payable	207,320
Interfund Payable	163,163
Payable to Component Units	7,070
Unearned Revenue	54,339
TOTAL LIABILITIES	1,758,927
DEFERRED INFLOWS OF RESOURCES	39,843
FUND BALANCES (DEFICITS):	
Nonspendable	80,141
Restricted	1,940,488
Committed	558,877
Unassigned	(306)
TOTAL FUND BALANCES (DEFICITS)	2,579,200
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 4,377,970**

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STATE OF OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

	EDUCATION	HIGHWAY OPERATING	COMMUNITY AND ECONOMIC DEVELOPMENT
REVENUES:			
Income Taxes	$ —	$ —	$ 11,067
Sales Taxes	—	—	4,663
Corporate and Public Utility Taxes	—	—	89,547
Motor Vehicle Fuel Taxes	—	688,428	6,153
Other Taxes	—	—	271,568
Licenses, Permits and Fees	97	67,497	547,497
Sales, Services and Charges	26	720	23,057
Federal Government	1,907,648	1,430,764	474,236
Investment Income	1,291	4,439	1,111
Other	14,205	289,374	37,728
TOTAL REVENUES	**1,923,267**	**2,481,222**	**1,466,627**
EXPENDITURES:			
CURRENT OPERATING:			
Primary, Secondary and Other Education	3,035,730	—	89
Higher Education Support	23,569	—	3,768
Public Assistance and Medicaid	—	—	—
Health and Human Services	888	—	—
Justice and Public Protection	4,851	—	211,727
Environmental Protection and Natural Resources	—	—	635
Transportation	—	2,824,980	1,436
General Government	—	—	332,815
Community and Economic Development	—	—	954,961
CAPITAL OUTLAY	—	—	23,663
TOTAL EXPENDITURES	**3,065,038**	**2,824,980**	**1,529,094**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(1,141,771)**	**(343,758)**	**(62,467)**
OTHER FINANCING SOURCES (USES):			
Bonds, Notes, and COPs Issued	—	—	12,000
Premiums/Discounts	—	—	2,006
Transfers-in	1,114,205	540,262	28,195
Transfers-out	—	(362,871)	(72,489)
TOTAL OTHER FINANCING SOURCES (USES)	**1,114,205**	**177,391**	**(30,288)**
NET CHANGE IN FUND BALANCES	**(27,566)**	**(166,367)**	**(92,755)**
FUND BALANCES (DEFICITS), July 1	259,375	1,312,938	611,715
Increase (Decrease) for Changes in Inventories	—	8,131	—
FUND BALANCES (DEFICITS), JUNE 30	**$ 231,809**	**$ 1,154,702**	**$ 518,960**

HEALTH	MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES	HIGHWAY SAFETY	NATURAL RESOURCES	WILDLIFE AND WATERWAYS SAFETY	TOBACCO SETTLEMENT
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	18,011	—
5,365	—	—	26,892	—	—
19,544	19,712	385,953	134,763	42,751	—
15	166	10,448	4,454	578	—
488,461	1,571,005	22,100	58,685	29,263	—
12	—	711	297	228	139
35,370	383,918	34,747	34,448	4,348	26
548,767	**1,974,801**	**453,959**	**259,539**	**95,179**	**165**
—	—	—	—	—	—
—	—	—	—	—	—
21,834	1,890,072	—	—	—	—
522,222	93,203	125	—	—	—
—	—	471,640	264	—	1,480
—	—	—	234,727	84,981	—
—	—	—	—	—	—
1,392	—	—	4,201	—	164
4,423	—	—	101	—	2,409
—	—	2,318	—	6,590	—
549,871	**1,983,275**	**474,083**	**239,293**	**91,571**	**4,053**
(1,104)	**(8,474)**	**(20,124)**	**20,246**	**3,608**	**(3,888)**
—	—	—	—	—	—
—	—	—	—	—	—
518	45,592	11,344	162	167	8,434
(2,030)	—	(11,798)	(3,531)	(9)	(5,969)
(1,512)	**45,592**	**(454)**	**(3,369)**	**158**	**2,465**
(2,616)	**37,118**	**(20,578)**	**16,877**	**3,766**	**(1,423)**
75,606	78,847	157,876	248,928	60,601	22,379
(3,652)	—	—	—	—	—
$ 69,338	**$ 115,965**	**$ 137,298**	**$ 265,805**	**$ 64,367**	**$ 20,956**

(continued)

STATE OF OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

(continued)

	TOTAL
REVENUES:	
Income Taxes	$ 11,067
Sales Taxes	4,663
Corporate and Public Utility Taxes	89,547
Motor Vehicle Fuel Taxes	712,592
Other Taxes	303,825
Licenses, Permits and Fees	1,217,814
Sales, Services and Charges	39,464
Federal Government	5,982,162
Investment Income	8,228
Other	834,164
TOTAL REVENUES	**9,203,526**
EXPENDITURES:	
CURRENT OPERATING:	
Primary, Secondary and Other Education	3,035,819
Higher Education Support	27,337
Public Assistance and Medicaid	1,911,906
Health and Human Services	616,438
Justice and Public Protection	689,962
Environmental Protection and Natural Resources	320,343
Transportation	2,826,416
General Government	338,572
Community and Economic Development	961,894
CAPITAL OUTLAY	32,571
TOTAL EXPENDITURES	**10,761,258**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(1,557,732)**
OTHER FINANCING SOURCES (USES):	
Bonds, Notes, and COPs Issued	12,000
Premiums/Discounts	2,006
Transfers-in	1,748,879
Transfers-out	(458,697)
TOTAL OTHER FINANCING SOURCES (USES)	**1,304,188**
NET CHANGE IN FUND BALANCES	**(253,544)**
FUND BALANCES (DEFICITS), July 1	2,828,265
Increase (Decrease) for Changes in Inventories	4,479
FUND BALANCES (DEFICITS), JUNE 30	**$ 2,579,200**

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STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

	EDUCATION		
	BUDGET		VARIANCE WITH FINAL BUDGET
	FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
REVENUES:			
Income Taxes		$ —	
Sales Taxes		—	
Corporate and Public Utility Taxes		—	
Motor Vehicle Fuel Taxes		—	
Other Taxes		—	
Licenses, Permits and Fees		97	
Sales, Services and Charges		27	
Federal Government		1,908,280	
Investment Income		1,291	
Other		25,551	
TOTAL REVENUES		**1,935,246**	
BUDGETARY EXPENDITURES:			
CURRENT OPERATING:			
Primary, Secondary and Other Education	$ 3,367,847	3,172,154	$ 195,693
Higher Education Support	63,332	32,930	30,402
Public Assistance and Medicaid	—	—	—
Health and Human Services	3,502	1,566	1,936
Justice and Public Protection	18,329	14,012	4,317
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	—	—
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	**$ 3,453,010**	**3,220,662**	**$ 232,348**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES		**(1,285,416)**	
OTHER FINANCING SOURCES (USES):			
Bonds and Notes Issued		316	
Transfers-in		1,114,234	
Transfers-out		(22)	
TOTAL OTHER FINANCING SOURCES (USES)		**1,114,528**	
NET CHANGE IN FUND BALANCES		**(170,888)**	
BUDGETARY FUND BALANCES (DEFICITS), JULY 1		175,909	
Outstanding Encumbrances at Beginning of Fiscal Year		124,789	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		**$ 129,810**	

HIGHWAY OPERATING			COMMUNITY AND ECONOMIC DEVELOPMENT		
BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
	$ —			$ 11,067	
	—			4,663	
	—			68,127	
	691,412			6,176	
	—			269,940	
	68,885			547,614	
	720			23,156	
	1,444,473			473,802	
	4,439			1,451	
	342,619			49,222	
	2,552,548			**1,455,218**	
$ —	—	$ —	$ 814	214	$ 600
—	—	—	5,510	4,068	1,442
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	381,472	271,367	110,105
—	—	—	666	616	50
7,170,445	5,858,699	1,311,746	6,294	5,578	716
—	—	—	447,157	363,244	83,913
—	—	—	1,771,969	1,589,656	182,313
—	—	—	46,943	46,760	183
184,462	170,368	14,094	—	—	—
$ 7,354,907	**6,029,067**	**$ 1,325,840**	**$ 2,660,825**	**2,281,503**	**$ 379,322**
	(3,476,519)			**(826,285)**	
	—			14,006	
	562,762			43,934	
	(215,043)			(88,230)	
	347,719			**(30,290)**	
	(3,128,800)			**(856,575)**	
	(1,663,171)			41,788	
	2,922,449			660,558	
	$ (1,869,522)			**$ (154,229)**	

(continued)

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

(continued)

	HEALTH		
	BUDGET		VARIANCE WITH FINAL BUDGET
	FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
REVENUES:			
Income Taxes		$ —	
Sales Taxes		—	
Corporate and Public Utility Taxes		—	
Motor Vehicle Fuel Taxes		—	
Other Taxes		5,400	
Licenses, Permits and Fees		19,521	
Sales, Services and Charges		—	
Federal Government		388,072	
Investment Income		12	
Other		113,536	
TOTAL REVENUES		**526,541**	
BUDGETARY EXPENDITURES:			
CURRENT OPERATING:			
Primary, Secondary and Other Education	$ —	—	$ —
Higher Education Support	—	—	—
Public Assistance and Medicaid	26,073	23,439	2,634
Health and Human Services	666,298	569,065	97,233
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	2,168	1,627	541
Community and Economic Development	7,270	7,223	47
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	**$ 701,809**	**601,354**	**$ 100,455**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES		**(74,813)**	
OTHER FINANCING SOURCES (USES):			
Bonds and Notes Issued		—	
Transfers-in		3,013	
Transfers-out		(2,040)	
TOTAL OTHER FINANCING SOURCES (USES)		**973**	
NET CHANGE IN FUND BALANCES		**(73,840)**	
BUDGETARY FUND BALANCES (DEFICITS), JULY 1		(23,395)	
Outstanding Encumbrances at Beginning of Fiscal Year		78,756	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		**$ (18,479)**	

MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES			HIGHWAY SAFETY		
BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
	$ —			$ —	
	—			—	
	—			—	
	—			—	
	—			—	
	19,712			383,356	
	166			10,451	
	2,382,960			24,486	
	—			711	
	364,569			36,410	
	2,767,407			**455,414**	
$ —	—	$ —	$ —	—	$ —
—	—	—	—	—	—
5,130,646	3,754,548	1,376,098	—	—	—
155,675	127,534	28,141	288	278	10
—	—	—	568,050	537,673	30,377
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	4,275	4,275	—
—	—	—	2,473	2,421	52
$ 5,286,321	**3,882,082**	**$ 1,404,239**	**$ 575,086**	**544,647**	**$ 30,439**
	(1,114,675)			**(89,233)**	
	—			—	
	47,674			11,344	
	(2,082)			(9,377)	
	45,592			**1,967**	
	(1,069,083)			**(87,266)**	
	(927,144)			127,671	
	1,141,350			56,314	
	$ (854,877)			**$ 96,719**	

(continued)

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

(continued)

	NATURAL RESOURCES		
	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
REVENUES:			
Income Taxes		$ —	
Sales Taxes		—	
Corporate and Public Utility Taxes		—	
Motor Vehicle Fuel Taxes		—	
Other Taxes		22,892	
Licenses, Permits and Fees		136,733	
Sales, Services and Charges		4,302	
Federal Government		58,426	
Investment Income		297	
Other		37,149	
TOTAL REVENUES		**259,799**	
BUDGETARY EXPENDITURES:			
CURRENT OPERATING:			
Primary, Secondary and Other Education	$ —	—	$ —
Higher Education Support	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	311	269	42
Environmental Protection and Natural Resources	326,510	283,003	43,507
Transportation	—	—	—
General Government	8,589	4,815	3,774
Community and Economic Development	213	115	98
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	**$ 335,623**	**288,202**	**$ 47,421**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES		**(28,403)**	
OTHER FINANCING SOURCES (USES):			
Bonds and Notes Issued		—	
Transfers-in		4,679	
Transfers-out		(8,039)	
TOTAL OTHER FINANCING SOURCES (USES)		**(3,360)**	
NET CHANGE IN FUND BALANCES		**(31,763)**	
BUDGETARY FUND BALANCES (DEFICITS), JULY 1		215,745	
Outstanding Encumbrances at Beginning of Fiscal Year		44,075	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		**$ 228,057**	

WILDLIFE AND WATERWAYS SAFETY			TOBACCO SETTLEMENT		
BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
	$ —			$ —	
	—			—	
	—			—	
	18,093			—	
	—			—	
	43,334			—	
	579			—	
	29,263			—	
	228			—	
	4,673			336	
	96,170			**336**	
$ —	—	$ —	$ —	—	$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	2,033	1,891	142
101,402	95,013	6,389	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	427	322	105
8,870	8,808	62	—	—	—
—	—	—	—	—	—
$ 110,272	**103,821**	**$ 6,451**	**$ 2,460**	**2,213**	**$ 247**
	(7,651)			**(1,877)**	
	—			—	
	167			8,000	
	(9)			(5,969)	
	158			**2,031**	
	(7,493)			**154**	
	47,361			7,443	
	14,703			33	
	$ 54,571			**$ 7,630**	

(continued)

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

(continued)

	TOTAL		
	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
REVENUES:			
Income Taxes		$ 11,067	
Sales Taxes		4,663	
Corporate and Public Utility Taxes		68,127	
Motor Vehicle Fuel Taxes		715,681	
Other Taxes		298,232	
Licenses, Permits and Fees		1,219,252	
Sales, Services and Charges		39,401	
Federal Government		6,709,762	
Investment Income		8,429	
Other		974,065	
TOTAL REVENUES		**10,048,679**	
BUDGETARY EXPENDITURES:			
CURRENT OPERATING:			
Primary, Secondary and Other Education	$ 3,368,661	3,172,368	$ 196,293
Higher Education Support	68,842	36,998	31,844
Public Assistance and Medicaid	5,156,719	3,777,987	1,378,732
Health and Human Services	825,763	698,443	127,320
Justice and Public Protection	970,195	825,212	144,983
Environmental Protection and Natural Resources	428,578	378,632	49,946
Transportation	7,176,739	5,864,277	1,312,462
General Government	457,914	369,686	88,228
Community and Economic Development	1,779,879	1,597,316	182,563
CAPITAL OUTLAY	60,088	59,843	245
DEBT SERVICE	186,935	172,789	14,146
TOTAL BUDGETARY EXPENDITURES	**$ 20,480,313**	**16,953,551**	**$ 3,526,762**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES		**(6,904,872)**	
OTHER FINANCING SOURCES (USES):			
Bonds and Notes Issued		14,322	
Transfers-in		1,795,807	
Transfers-out		(330,811)	
TOTAL OTHER FINANCING SOURCES (USES)		**1,479,318**	
NET CHANGE IN FUND BALANCES		**(5,425,554)**	
BUDGETARY FUND BALANCES (DEFICITS), JULY 1		(1,997,793)	
Outstanding Encumbrances at Beginning of Fiscal Year		5,043,027	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		**$ (2,380,320)**	

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NONMAJOR DEBT SERVICE FUNDS

Debt Service Funds account for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

Coal Research/Development General Obligations Fund

The Coal Research/Development General Obligations Fund accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 15 of Article VIII, Ohio Constitution, to finance coal research and development projects.

Improvements General Obligations Fund

The Improvements General Obligations Fund accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2f of Article VIII, Ohio Constitution, to finance the improvement of higher education facilities, public schools, and natural resources.

Highway Improvements General Obligations Fund

The Highway Improvements General Obligations Fund accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2g of Article VIII, Ohio Constitution, to finance the acquisition of rights-of-way and the construction and reconstruction of the State's highways and urban extensions.

Development General Obligations Fund

The Development General Obligations Fund accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2h of Article VIII, Ohio Constitution, to finance the construction, improvement, and development of higher education facilities, public schools, and natural resources.

Highway General Obligations Fund

The Highway General Obligations Fund accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2i of Article VIII, Ohio Constitution, to finance the construction of the State's highways.

Public Improvements General Obligations Fund

The Public Improvements General Obligations Fund accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2i of Article VIII, Ohio Constitution, to finance water pollution controls and improvements at higher education facilities, parks, and natural resources.

Vietnam Conflict Compensation General Obligations Fund

The Vietnam Conflict Compensation General Obligations Fund accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2j of Article VIII, Ohio Constitution, to provide funding for the compensation to Ohioans that served in the military during the Vietnam Conflict.

Local Infrastructure Improvements General Obligations Fund

The Local Infrastructure Improvements General Obligations Fund accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2k of Article VIII, Ohio Constitution, to finance the cost of local government's public infrastructure improvement projects.

State Projects General Obligations Fund
The State Projects General Obligations Fund accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2l of Article VIII, Ohio Constitution, to finance capital improvements at state and local parks and other natural resources-related projects.

Highway Capital Improvements General Obligations Fund
The Highway Capital Improvements General Obligations Fund accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2m of Article VIII, Ohio Constitution, to finance capital improvements to the state highway system.

Higher Education Capital Facilities General Obligations Fund
The Higher Education Capital Facilities General Obligations Fund accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2n of Article VIII, Ohio Constitution, to finance the costs of capital facilities for state-supported and state-assisted institutions of higher education, including those for technical education.

Common Schools Capital Facilities General Obligations Fund
The Common Schools Capital Facilities General Obligations Fund accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2n of Article VIII, Ohio Constitution, to finance the costs of facilities for a system of common schools throughout Ohio.

Conservation Projects General Obligations Fund
The Conservation Projects General Obligations Fund accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2o of Article VIII, Ohio Constitution, to finance the purchase of additional “greenspace” land or interest in land devoted to natural areas, open spaces, and agriculture.

Third Frontier Research/Development General Obligations Fund
The Third Frontier Research/Development General Obligations Fund accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2p of Article VIII, Ohio Constitution, to finance research and development in support of Ohio industry, commerce, and business.

Job Ready Site Development General Obligations Fund
The Job Ready Site Development General Obligations Fund accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2p of Article VIII, Ohio Constitution, to finance the development of sites for industry, distribution, commerce, and research and development.

Persian Gulf Conflict Compensation General Obligations Fund
The Persian Gulf Conflict Compensation General Obligations Fund accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2r of Article VIII, Ohio Constitution, to pay compensation to veterans of the Persian Gulf, Afghanistan, and Iraq Conflicts.

Infrastructure Bank Revenue Bonds Fund
The Infrastructure Bank Revenue Bonds Fund accounts for the payment of principal and interest on revenue bonds issued to finance various highway construction projects sponsored by the Department of Transportation.

Lease Rental Special Obligations Fund

The Lease Rental Special Obligations Fund accounts for the payment of principal and interest on special obligation bonds issued to finance the construction of higher education facilities, mental health facilities, parks and recreation projects and facilities, and Ohio Facilities Construction Commission projects.

MARCS Certificates of Participation Fund

The MARCS Certificates of Participation Fund accounts for the payment of certificate of participation-related obligations that finance the State's statewide public service wireless communication system, known as the Multi Agency Radio Communications (MARCS).

OAKS Certificates of Participation Fund

The OAKS Certificates of Participation Fund accounts for the payment of certificate of participation-related obligations that finance the State's enterprise resource planning system project, known as the Ohio Administrative Knowledge System (OAKS).

STARS Certificates of Participation Fund

The STARS Certificates of Participation Fund accounts for the payment of certificates of participation related obligations that finance the State's Taxation Accounting and Revenue System, known as STARS.

TMS Certificates of Participation Fund

The TMS Certificates of Participation Fund accounts for the payment of certificates of participation related obligations that finance the State's Treasury Management System, known as TMS.

EDCS Certificates of Participation Fund

The EDCS Certificates of Participation Fund accounts for the payment of certificates of participation related obligations that finance the Enterprise Data Center Solutions, known as EDCS.

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STATE OF OHIO
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2015
(dollars in thousands)

	COAL RESEARCH/ DEVELOPMENT GENERAL OBLIGATIONS	IMPROVEMENTS GENERAL OBLIGATIONS	HIGHWAY IMPROVEMENTS GENERAL OBLIGATIONS
ASSETS:			
Cash Equity with Treasurer	$ 6	$ —	$ —
Cash and Cash Equivalents	—	130	55
Investments	—	—	—
Collateral on Lent Securities	1	—	—
TOTAL ASSETS	**$ 7**	**$ 130**	**$ 55**
LIABILITIES:			
Accounts Payable	$ —	$ —	$ —
Obligations Under Securities Lending	1	—	—
Refund and Other Liabilities	—	130	55
TOTAL LIABILITIES	1	130	55
FUND BALANCES (DEFICITS):			
Restricted	6	—	—
TOTAL FUND BALANCES (DEFICITS)	6	—	—
TOTAL LIABILITIES AND FUND BALANCES	**$ 7**	**$ 130**	**$ 55**

DEVELOPMENT GENERAL OBLIGATIONS	HIGHWAY GENERAL OBLIGATIONS	PUBLIC IMPROVEMENTS GENERAL OBLIGATIONS	VIETNAM CONFLICT COMPENSATION GENERAL OBLIGATIONS	LOCAL INFRASTRUCTURE IMPROVEMENTS GENERAL OBLIGATIONS	STATE PROJECTS GENERAL OBLIGATIONS
$ —	$ —	$ —	$ —	$ 12	$ 1
224	170	91	28	—	—
—	—	—	—	—	—
—	—	—	—	3	—
$ 224	**$ 170**	**$ 91**	**$ 28**	**$ 15**	**$ 1**
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	3	—
224	170	91	25	—	—
224	170	91	25	3	—
—	—	—	3	12	1
—	—	—	3	12	1
$ 224	**$ 170**	**$ 91**	**$ 28**	**$ 15**	**$ 1**

(continued)

STATE OF OHIO

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2015

(dollars in thousands)

(continued)

	HIGHWAY CAPITAL IMPROVEMENTS GENERAL OBLIGATIONS	HIGHER EDUCATION CAPITAL FACILITIES GENERAL OBLIGATIONS	COMMON SCHOOLS CAPITAL FACILITIES GENERAL OBLIGATIONS
ASSETS:			
Cash Equity with Treasurer	$ 161	$ 7	$ 10
Cash and Cash Equivalents	—	—	—
Investments	—	—	—
Collateral on Lent Securities	39	2	2
TOTAL ASSETS	**$ 200**	**$ 9**	**$ 12**
LIABILITIES:			
Accounts Payable	$ —	$ —	$ —
Obligations Under Securities Lending	39	2	2
Refund and Other Liabilities	—	—	—
TOTAL LIABILITIES	39	2	2
FUND BALANCES (DEFICITS):			
Restricted	161	7	10
TOTAL FUND BALANCES (DEFICITS)	161	7	10
TOTAL LIABILITIES AND FUND BALANCES	**$ 200**	**$ 9**	**$ 12**

CONSERVATION PROJECTS GENERAL OBLIGATIONS	THIRD FRONTIER RESEARCH/ DEVELOPMENT GENERAL OBLIGATIONS	JOB READY SITE DEVELOPMENT GENERAL OBLIGATIONS	INFRASTRUCTURE BANK REVENUE BONDS	LEASE RENTAL SPECIAL OBLIGATIONS	MARCS CERTIFICATES OF PARTICIPATION
$ 2	$ 3	$ 1	$ —	$ —	$ —
—	—	—	—	169	10
—	—	—	8,010	300	—
—	1	—	—	—	—
$ 2	**$ 4**	**$ 1**	**$ 8,010**	**$ 469**	**$ 10**
$ —	$ —	$ —	$ 5	$ 19	$ —
—	1	—	—	—	—
—	—	—	—	—	—
—	1	—	5	19	—
2	3	1	8,005	450	10
2	3	1	8,005	450	10
$ 2	**$ 4**	**$ 1**	**$ 8,010**	**$ 469**	**$ 10**

(continued)

STATE OF OHIO
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2015
(dollars in thousands)
(continued)

	STARS CERTIFICATES OF PARTICIPATION	TMS CERTIFICATES OF PARTICIPATION	EDCS CERTIFICATES OF PARTICIPATION
ASSETS:			
Cash Equity with Treasurer	$ —	$ —	$ —
Cash and Cash Equivalents	240	2	7
Investments	—	—	—
Collateral on Lent Securities	—	—	—
TOTAL ASSETS	**$ 240**	**$ 2**	**$ 7**
LIABILITIES:			
Accounts Payable	$ —	$ —	$ —
Obligations Under Securities Lending	—	—	—
Refund and Other Liabilities	—	—	—
TOTAL LIABILITIES	—	—	—
FUND BALANCES (DEFICITS):			
Restricted	240	2	7
TOTAL FUND BALANCES (DEFICITS)	240	2	7
TOTAL LIABILITIES AND FUND BALANCES	**$ 240**	**$ 2**	**$ 7**

	TOTAL
$	203
	1,126
	8,310
	48
$	**9,687**
$	24
	48
	695
	767
	8,920
	8,920
$	**9,687**

STATE OF OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(dollars in thousands)

	COAL RESEARCH/ DEVELOPMENT GENERAL OBLIGATIONS	VIETNAM CONFLICT COMPENSATION GENERAL OBLIGATIONS	LOCAL INFRASTRUCTURE IMPROVEMENTS GENERAL OBLIGATIONS
REVENUES:			
Investment Income	$ —	$ —	$ 31
Other	5	—	46
TOTAL REVENUES	**5**	**—**	**77**
EXPENDITURES:			
DEBT SERVICE	3,112	—	222,505
TOTAL EXPENDITURES	**3,112**	**—**	**222,505**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(3,107)**	**—**	**(222,428)**
OTHER FINANCING SOURCES (USES):			
Bonds, Notes, and COPs Issued	—	—	—
Refunding Bonds and COPs Issued	—	—	99,880
Payment to Refunded Bond and COPs Escrow Agents	—	—	(124,506)
Premiums/Discounts	89	—	36,157
Transfers-in	3,024	—	210,900
TOTAL OTHER FINANCING SOURCES (USES)	**3,113**	**—**	**222,431**
NET CHANGE IN FUND BALANCES	**6**	**—**	**3**
FUND BALANCES (DEFICITS), July 1	—	3	9
FUND BALANCES (DEFICITS), JUNE 30	**$ 6**	**$ 3**	**$ 12**

STATE PROJECTS GENERAL OBLIGATIONS	HIGHWAY CAPITAL IMPROVEMENTS GENERAL OBLIGATIONS	HIGHER EDUCATION CAPITAL FACILITIES GENERAL OBLIGATIONS	COMMON SCHOOLS CAPITAL FACILITIES GENERAL OBLIGATIONS	CONSERVATION PROJECTS GENERAL OBLIGATIONS	THIRD FRONTIER RESEARCH/ DEVELOPMENT GENERAL OBLIGATIONS
$ 1	$ 244	$ 20	$ 18	$ 3	$ 5
—	—	—	35	—	—
1	**244**	**20**	**53**	**3**	**5**
24,210	140,284	251,114	340,500	33,428	76,412
24,210	**140,284**	**251,114**	**340,500**	**33,428**	**76,412**
(24,209)	**(140,040)**	**(251,094)**	**(340,447)**	**(33,425)**	**(76,407)**
—	—	—	—	—	—
—	—	28,195	72,395	11,805	—
—	—	(35,946)	(91,674)	(14,210)	—
318	—	8,016	20,727	2,496	—
23,892	140,091	240,813	339,000	33,331	76,406
24,210	**140,091**	**241,078**	**340,448**	**33,422**	**76,406**
1	**51**	**(10,016)**	**1**	**(3)**	**(1)**
—	110	10,023	9	5	4
$ 1	**$ 161**	**$ 7**	**$ 10**	**$ 2**	**$ 3**

(continued)

STATE OF OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(dollars in thousands)
(continued)

	JOB READY SITE DEVELOPMENT GENERAL OBLIGATIONS	PERSIAN GULF CONFLICT COMPENSATION GENERAL OBLIGATIONS	INFRASTRUCTURE BANK REVENUE BONDS
REVENUES:			
Investment Income	$ 2	$ —	$ 102
Other	—	—	—
TOTAL REVENUES	**2**	**—**	**102**
EXPENDITURES:			
DEBT SERVICE	19,029	9,134	174,857
TOTAL EXPENDITURES	**19,029**	**9,134**	**174,857**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(19,027)**	**(9,134)**	**(174,755)**
OTHER FINANCING SOURCES (USES):			
Bonds, Notes, and COPs Issued	—	—	62,265
Refunding Bonds and COPs Issued	—	—	—
Payment to Refunded Bond and COPs Escrow Agents	—	—	(72,064)
Premiums/Discounts	—	—	14,498
Transfers-in	18,806	9,134	170,368
TOTAL OTHER FINANCING SOURCES (USES)	**18,806**	**9,134**	**175,067**
NET CHANGE IN FUND BALANCES	**(221)**	**—**	**312**
FUND BALANCES (DEFICITS), July 1	222	—	7,693
FUND BALANCES (DEFICITS), JUNE 30	**$ 1**	**$ —**	**$ 8,005**

LEASE RENTAL SPECIAL OBLIGATIONS	MARCS CERTIFICATES OF PARTICIPATION	OAKS CERTIFICATES OF PARTICIPATION	STARS CERTIFICATES OF PARTICIPATION	TMS CERTIFICATES OF PARTICIPATION	EDCS CERTIFICATES OF PARTICIPATION
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
—	—	—	—	—	—
307,940	5,561	22,175	5,214	264	903
307,940	**5,561**	**22,175**	**5,214**	**264**	**903**
(307,940)	**(5,561)**	**(22,175)**	**(5,214)**	**(264)**	**(903)**
165	—	—	—	—	—
42,315	—	—	—	—	—
(44,533)	—	—	—	—	—
4,712	429	—	133	266	910
302,560	5,134	22,175	5,321	—	—
305,219	**5,563**	**22,175**	**5,454**	**266**	**910**
(2,721)	**2**	**—**	**240**	**2**	**7**
3,171	8	—	—	—	—
$ 450	**$ 10**	**$ —**	**$ 240**	**$ 2**	**$ 7**

(continued)

STATE OF OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

(continued)

	TOTAL
REVENUES:	
Investment Income	$ 426
Other	86
TOTAL REVENUES	**512**
EXPENDITURES:	
DEBT SERVICE	1,636,642
TOTAL EXPENDITURES	**1,636,642**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(1,636,130)**
OTHER FINANCING SOURCES (USES):	
Bonds, Notes, and COPs Issued	62,430
Refunding Bonds and COPs Issued	254,590
Payment to Refunded Bond and COPs Escrow Agents	(382,933)
Premiums/Discounts	88,751
Transfers-in	1,600,955
TOTAL OTHER FINANCING SOURCES (USES)	**1,623,793**
NET CHANGE IN FUND BALANCES	**(12,337)**
FUND BALANCES (DEFICITS), July 1	21,257
FUND BALANCES (DEFICITS), JUNE 30	**$ 8,920**

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STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) NONMAJOR DEBT SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

	COAL RESEARCH/DEVELOPMENT GENERAL OBLIGATIONS		
	BUDGET		VARIANCE WITH FINAL BUDGET
	FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
REVENUES:			
Investment Income		$ —	
Other		3,029	
TOTAL REVENUES		**3,029**	
BUDGETARY EXPENDITURES:			
DEBT SERVICE	$ 4,327	3,024	$ 1,303
TOTAL BUDGETARY EXPENDITURES	**$ 4,327**	**3,024**	**$ 1,303**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES		**5**	
OTHER FINANCING SOURCES (USES):			
Bonds and Notes Issued		1	
Transfers-in		—	
TOTAL OTHER FINANCING SOURCES (USES)		**1**	
NET CHANGE IN FUND BALANCES		**6**	
BUDGETARY FUND BALANCES (DEFICITS), JULY 1		—	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		**$ 6**	

	LOCAL INFRASTRUCTURE IMPROVEMENTS GENERAL OBLIGATIONS			STATE PROJECTS GENERAL OBLIGATIONS		
	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
		$ 31			$ 1	
		210,946			23,892	
		210,977			**23,893**	
	$ 228,949	221,679	$ 7,270	$ 25,443	23,893	$ 1,550
	$ 228,949	**221,679**	**$ 7,270**	**$ 25,443**	**23,893**	**$ 1,550**
		(10,702)			**—**	
		10,705			1	
		—			—	
		10,705			**1**	
		3			**1**	
		9			—	
		$ 12			**$ 1**	

(continued)

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) NONMAJOR DEBT SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

(continued)

	HIGHWAY CAPITAL IMPROVEMENTS GENERAL OBLIGATIONS		
	BUDGET		VARIANCE WITH FINAL BUDGET
	FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
REVENUES:			
Investment Income		$ 244	
Other		10	
TOTAL REVENUES		**254**	
BUDGETARY EXPENDITURES:			
DEBT SERVICE	$ 140,303	140,303	$ —
TOTAL BUDGETARY EXPENDITURES	**$ 140,303**	**140,303**	**$ —**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES		**(140,049)**	
OTHER FINANCING SOURCES (USES):			
Bonds and Notes Issued		18	
Transfers-in		140,091	
TOTAL OTHER FINANCING SOURCES (USES)		**140,109**	
NET CHANGE IN FUND BALANCES		**60**	
BUDGETARY FUND BALANCES (DEFICITS), JULY 1		100	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		**$ 160**	

	HIGHER EDUCATION CAPITAL FACILITIES GENERAL OBLIGATIONS			COMMON SCHOOLS CAPITAL FACILITIES GENERAL OBLIGATIONS		
	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
		$ 20			$ 18	
		240,813			339,035	
		240,833			**339,053**	
	$ 250,855	250,855	$ —	$ 377,365	339,057	$ 38,308
	$ 250,855	**250,855**	**$ —**	**$ 377,365**	**339,057**	**$ 38,308**
		(10,022)			**(4)**	
		5			5	
		—			—	
		5			**5**	
		(10,017)			**1**	
		10,024			8	
		$ 7			**$ 9**	

(continued)

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) NONMAJOR DEBT SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

(continued)

	CONSERVATION PROJECTS GENERAL OBLIGATIONS		
	BUDGET		VARIANCE WITH FINAL BUDGET
	FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
REVENUES:			
Investment Income		$ 3	
Other		33,331	
TOTAL REVENUES		**33,334**	
BUDGETARY EXPENDITURES:			
DEBT SERVICE	$ 34,448	33,338	$ 1,110
TOTAL BUDGETARY EXPENDITURES	**$ 34,448**	**33,338**	**$ 1,110**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES		**(4)**	
OTHER FINANCING SOURCES (USES):			
Bonds and Notes Issued		—	
Transfers-in		—	
TOTAL OTHER FINANCING SOURCES (USES)		**—**	
NET CHANGE IN FUND BALANCES		**(4)**	
BUDGETARY FUND BALANCES (DEFICITS), JULY 1		4	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		**$ —**	

THIRD FRONTIER RESEARCH/DEVELOPMENT GENERAL OBLIGATIONS			JOB READY SITE DEVELOPMENT GENERAL OBLIGATIONS		
BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
	$ 5			$ 2	
	76,406			15,725	
	76,411			**15,727**	
$ 83,783	76,413	$ 7,370	$ 19,125	15,948	$ 3,177
$ 83,783	**76,413**	**$ 7,370**	**$ 19,125**	**15,948**	**$ 3,177**
	(2)			**(221)**	
	—			—	
	—			—	
	—			—	
	(2)			**(221)**	
	4			222	
	$ 2			**$ 1**	

(continued)

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) NONMAJOR DEBT SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

(continued)

	PERSIAN GULF CONFLICT COMPENSATION GENERAL OBLIGATIONS		
	BUDGET		VARIANCE WITH FINAL BUDGET
	FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
REVENUES:			
Investment Income		$ —	
Other		9,134	
TOTAL REVENUES		**9,134**	
BUDGETARY EXPENDITURES:			
DEBT SERVICE	$ 9,915	9,134	$ 781
TOTAL BUDGETARY EXPENDITURES	**$ 9,915**	**9,134**	**$ 781**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES		**—**	
OTHER FINANCING SOURCES (USES):			
Bonds and Notes Issued		—	
Transfers-in		—	
TOTAL OTHER FINANCING SOURCES (USES)		**—**	
NET CHANGE IN FUND BALANCES		**—**	
BUDGETARY FUND BALANCES (DEFICITS), JULY 1		—	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		**$ —**	

TOTAL			
BUDGET FINAL		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
		$ 324	
		952,321	
		952,645	
$ 1,174,513		1,113,644	$ 60,869
$ 1,174,513		**1,113,644**	**$ 60,869**
		(160,999)	
		10,735	
		140,091	
		150,826	
		(10,173)	
		10,371	
		$ 198	

NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Infrastructure Bank Obligations Fund
The Infrastructure Bank Obligations Fund accounts for revenue bond proceeds that finance various highway construction projects sponsored by the Department of Transportation.

Mental Health/Developmental Disabilities Facilities Improvements Fund
The Mental Health/Developmental Disabilities Facilities Improvements Fund accounts for special obligation bond proceeds that finance the construction of mental health and developmental disabilities facilities.

Parks and Recreation Improvements Fund
The Parks and Recreation Improvements Fund accounts for special obligation bond proceeds that finance the capital improvement of parks and recreation facilities.

Administrative Services Building Improvements Fund
The Administrative Services Building Improvements Fund accounts for special obligation bond proceeds that finance capital improvements for the Department of Administrative Services.

Youth Services Building Improvements Fund
The Youth Services Building Improvements Fund accounts for special obligation bond proceeds that finance capital improvements for the Department of Youth Services.

Adult Correctional Building Improvements Fund
The Adult Correctional Building Improvements Fund accounts for special obligation bond proceeds that finance capital improvements for the Department of Rehabilitation and Correction.

Highway Safety Building Improvements Fund
The Highway Safety Building Improvements Fund accounts for special obligation bond proceeds that finance capital improvements for the Department of Public Safety.

Ohio Parks and Natural Resources Fund
The Ohio Parks and Natural Resources Fund accounts for general obligation bond proceeds that finance capital improvements for state and local parks and other natural resources-related projects.

Highway Capital Improvement Fund
The Highway Capital Improvement Fund accounts for general obligation bond proceeds that finance capital improvements to the state highway system.

Transportation Building Improvements Fund
The Transportation Building Improvements Fund accounts for special obligation bond proceeds that finance capital improvements for the Department of Transportation.

MARCS Project Fund
The MARCS Project Fund accounts for certificates of participation proceeds that finance the costs of the Multi Agency Radio Communications (MARCS) project for the statewide, secure, reliable public service wireless communication for public safety and first responders.

STARS Project Fund

The STARS Project Fund accounts for certificate of participation proceeds that finance the costs of the State's Taxation Accounting and Revenue System (STARS) technology project.

TMS Project Fund

The TMS Project Fund accounts for certificate of participation proceeds that finance the costs of the State's Treasury Management System (TMS) technology project.

EDCS Project Fund

The EDCS Project Fund accounts for certificate of participation proceeds that finance the costs of the State's Enterprise Data Center Solutions (EDCS) technology project.

STATE OF OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015

(dollars in thousands)

	INFRASTRUCTURE BANK OBLIGATIONS	MENTAL HEALTH/ DEVELOPMENTAL DISABILITIES FACILITIES IMPROVEMENTS	PARKS AND RECREATION IMPROVEMENTS
ASSETS:			
Cash Equity with Treasurer	$ 130,908	$ 46,391	$ 40,364
Cash and Cash Equivalents	—	—	—
Investments	—	—	—
Collateral on Lent Securities	31,912	11,309	9,840
TOTAL ASSETS	**$ 162,820**	**$ 57,700**	**$ 50,204**
LIABILITIES:			
Accounts Payable	$ 6,563	$ 3,662	$ 1,665
Obligations Under Securities Lending	31,912	11,309	9,840
TOTAL LIABILITIES	38,475	14,971	11,505
FUND BALANCES (DEFICITS):			
Restricted	124,345	42,729	38,699
TOTAL FUND BALANCES (DEFICITS)	124,345	42,729	38,699
TOTAL LIABILITIES AND FUND BALANCES	**$ 162,820**	**$ 57,700**	**$ 50,204**

ADMINISTRATIVE SERVICES BUILDING IMPROVEMENTS	YOUTH SERVICES BUILDING IMPROVEMENTS	ADULT CORRECTIONAL BUILDING IMPROVEMENTS	HIGHWAY SAFETY BUILDING IMPROVEMENTS	OHIO PARKS AND NATURAL RESOURCES	HIGHWAY CAPITAL IMPROVEMENT
$ 77,218	$ 25,505	$ 15,281	$ 503	$ 49,736	$ 168,822
—	—	—	—	—	—
—	—	—	—	—	—
18,824	6,217	3,725	123	12,124	41,154
$ 96,042	**$ 31,722**	**$ 19,006**	**$ 626**	**$ 61,860**	**$ 209,976**
$ 5,155	$ 594	$ 2,373	$ 25	$ 2,039	$ 14,492
18,824	6,217	3,725	123	12,124	41,154
23,979	6,811	6,098	148	14,163	55,646
72,063	24,911	12,908	478	47,697	154,330
72,063	24,911	12,908	478	47,697	154,330
$ 96,042	**$ 31,722**	**$ 19,006**	**$ 626**	**$ 61,860**	**$ 209,976**

(continued)

STATE OF OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015
(dollars in thousands)
(continued)

	TRANSPORTATION BUILDING IMPROVEMENTS	MARCS PROJECT	STARS PROJECT
ASSETS:			
Cash Equity with Treasurer	$ 100,254	$ —	$ —
Cash and Cash Equivalents	—	13,735	13,259
Investments	—	—	11,026
Collateral on Lent Securities	24,439	—	—
TOTAL ASSETS	**$ 124,693**	**$ 13,735**	**$ 24,285**
LIABILITIES:			
Accounts Payable	$ 816	$ 6,466	$ 2,843
Obligations Under Securities Lending	24,439	—	—
TOTAL LIABILITIES	25,255	6,466	2,843
FUND BALANCES (DEFICITS):			
Restricted	99,438	7,269	21,442
TOTAL FUND BALANCES (DEFICITS)	99,438	7,269	21,442
TOTAL LIABILITIES AND FUND BALANCES	**$ 124,693**	**$ 13,735**	**$ 24,285**

TMS PROJECT	EDCS PROJECT	TOTAL
$ —	$ —	$ 654,982
4,592	16,308	47,894
—	7,859	18,885
—	—	159,667
$ 4,592	**$ 24,167**	**$ 881,428**
$ 362	$ 2,593	$ 49,648
—	—	159,667
362	2,593	209,315
4,230	21,574	672,113
4,230	21,574	672,113
$ 4,592	**$ 24,167**	**$ 881,428**

STATE OF OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

	INFRASTRUCTURE BANK OBLIGATIONS	MENTAL HEALTH/ DEVELOPMENTAL DISABILITIES FACILITIES IMPROVEMENTS	PARKS AND RECREATION IMPROVEMENTS
REVENUES:			
Investment Income (Loss)	$ 493	$ 129	$ 66
Other	—	—	—
TOTAL REVENUES	**493**	**129**	**66**
EXPENDITURES:			
CURRENT OPERATING:			
Primary, Secondary and Other Education	—	—	—
CAPITAL OUTLAY	89,343	50,907	12,925
TOTAL EXPENDITURES	**89,343**	**50,907**	**12,925**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(88,850)**	**(50,778)**	**(12,859)**
OTHER FINANCING SOURCES (USES):			
Bonds, Notes, and COPs Issued	155,875	50,000	40,000
Premiums/Discounts	19,125	7,739	6,486
Transfers-out	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	**175,000**	**57,739**	**46,486**
NET CHANGE IN FUND BALANCES	**86,150**	**6,961**	**33,627**
FUND BALANCES (DEFICITS), July 1	38,195	35,768	5,072
FUND BALANCES (DEFICITS), JUNE 30	**$ 124,345**	**$ 42,729**	**$ 38,699**

ADMINISTRATIVE SERVICES BUILDING IMPROVEMENTS	YOUTH SERVICES BUILDING IMPROVEMENTS	ADULT CORRECTIONAL BUILDING IMPROVEMENTS	HIGHWAY SAFETY BUILDING IMPROVEMENTS	OHIO PARKS AND NATURAL RESOURCES	HIGHWAY CAPITAL IMPROVEMENT
$ 200	$ 39	$ 145	$ 2	$ 78	$ 985
—	5,500	—	—	7	—
200	**5,539**	**145**	**2**	**85**	**985**
501	—	—	—	—	—
39,563	8,272	34,413	172	35,799	144,418
40,064	**8,272**	**34,413**	**172**	**35,799**	**144,418**
(39,864)	**(2,733)**	**(34,268)**	**(170)**	**(35,714)**	**(143,433)**
79,836	20,000	—	—	70,000	—
8,152	1,815	—	—	11,407	—
—	—	—	—	—	—
87,988	**21,815**	**—**	**—**	**81,407**	**—**
48,124	**19,082**	**(34,268)**	**(170)**	**45,693**	**(143,433)**
23,939	5,829	47,176	648	2,004	297,763
$ 72,063	**$ 24,911**	**$ 12,908**	**$ 478**	**$ 47,697**	**$ 154,330**

(continued)

STATE OF OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(dollars in thousands)
(continued)

	TRANSPORTATION BUILDING IMPROVEMENTS	MARCS PROJECT	STARS PROJECT
REVENUES:			
Investment Income (Loss)	$ 182	$ 21	$ (10)
Other	—	—	—
TOTAL REVENUES	**182**	**21**	**(10)**
EXPENDITURES:			
CURRENT OPERATING:			
Primary, Secondary and Other Education	—	—	—
CAPITAL OUTLAY	838	16,937	10,596
TOTAL EXPENDITURES	**838**	**16,937**	**10,596**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(656)**	**(16,916)**	**(10,606)**
OTHER FINANCING SOURCES (USES):			
Bonds, Notes, and COPs Issued	84,300	15,795	17,985
Premiums/Discounts	15,794	1,935	2,368
Transfers-out	—	—	(353)
TOTAL OTHER FINANCING SOURCES (USES)	**100,094**	**17,730**	**20,000**
NET CHANGE IN FUND BALANCES	**99,438**	**814**	**9,394**
FUND BALANCES (DEFICITS), July 1	—	6,455	12,048
FUND BALANCES (DEFICITS), JUNE 30	**$ 99,438**	**$ 7,269**	**$ 21,442**

TMS PROJECT	EDCS PROJECT	TOTAL
$ —	$ 39	$ 2,369
—	—	5,507
—	**39**	**7,876**
—	—	501
5,343	16,720	466,246
5,343	**16,720**	**466,747**
(5,343)	**(16,681)**	**(458,871)**
8,775	33,595	576,161
1,225	4,660	80,706
(427)	—	(780)
9,573	**38,255**	**656,087**
4,230	**21,574**	**197,216**
—	—	474,897
$ 4,230	**$ 21,574**	**$ 672,113**

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) NONMAJOR CAPITAL PROJECT FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

	INFRASTRUCTURE BANK OBLIGATIONS		
	BUDGET		VARIANCE WITH FINAL BUDGET
	FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
REVENUES:			
Investment Income		$ 493	
Other		—	
TOTAL REVENUES		**493**	
BUDGETARY EXPENDITURES:			
CAPITAL OUTLAY	$ 320,164	249,252	$ 70,912
TOTAL BUDGETARY EXPENDITURES	**$ 320,164**	**249,252**	**$ 70,912**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES		**(248,759)**	
OTHER FINANCING SOURCES (USES):			
Bonds and Notes Issued		175,000	
TOTAL OTHER FINANCING SOURCES (USES)		**175,000**	
NET CHANGE IN FUND BALANCES		**(73,759)**	
BUDGETARY FUND BALANCES (DEFICITS), JULY 1		(70,030)	
Outstanding Encumbrances at Beginning of Fiscal Year		115,539	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		**$ (28,250)**	

	MENTAL HEALTH/DEVELOPMENTAL DISABILITIES FACILITIES IMPROVEMENTS			PARKS AND RECREATION IMPROVEMENTS		
	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
		$ 129			$ 66	
		—			—	
		129			**66**	
	$ 72,937	72,937	$ —	$ 14,079	14,055	$ 24
	$ 72,937	**72,937**	**$ —**	**$ 14,079**	**14,055**	**$ 24**
		(72,808)			**(13,989)**	
		57,739			46,486	
		57,739			**46,486**	
		(15,069)			**32,497**	
		(30,820)			(4)	
		69,146			5,332	
		$ 23,257			**$ 37,825**	

(continued)

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) NONMAJOR CAPITAL PROJECT FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

(continued)

	ADMINISTRATIVE SERVICES BUILDING IMPROVEMENTS		
	BUDGET		VARIANCE WITH FINAL BUDGET
	FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
REVENUES:			
Investment Income		$ 200	
Other		—	
TOTAL REVENUES		**200**	
BUDGETARY EXPENDITURES:			
CAPITAL OUTLAY	$ 43,348	42,250	$ 1,098
TOTAL BUDGETARY EXPENDITURES	**$ 43,348**	**42,250**	**$ 1,098**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES		**(42,050)**	
OTHER FINANCING SOURCES (USES):			
Bonds and Notes Issued		87,987	
TOTAL OTHER FINANCING SOURCES (USES)		**87,987**	
NET CHANGE IN FUND BALANCES		**45,937**	
BUDGETARY FUND BALANCES (DEFICITS), JULY 1		10,246	
Outstanding Encumbrances at Beginning of Fiscal Year		17,708	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		**$ 73,891**	

YOUTH SERVICES BUILDING IMPROVEMENTS			ADULT CORRECTIONAL BUILDING IMPROVEMENTS		
BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
	$ 39			$ 145	
	5,500			—	
	5,539			**145**	
$ 10,117	10,117	$ —	$ 48,230	44,840	$ 3,390
$ 10,117	**10,117**	**$ —**	**$ 48,230**	**44,840**	**$ 3,390**
	(4,578)			**(44,695)**	
	21,815			—	
	21,815			**—**	
	17,237			**(44,695)**	
	(624)			21,315	
	7,227			27,623	
	$ 23,840			**$ 4,243**	

(continued)

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) NONMAJOR CAPITAL PROJECT FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

(continued)

	HIGHWAY SAFETY BUILDING IMPROVEMENTS		
	BUDGET		VARIANCE WITH FINAL BUDGET
	FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
REVENUES:			
Investment Income		$ 2	
Other		—	
TOTAL REVENUES		**2**	
BUDGETARY EXPENDITURES:			
CAPITAL OUTLAY	$ 209	209	$ —
TOTAL BUDGETARY EXPENDITURES	**$ 209**	**209**	**$ —**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES		**(207)**	
OTHER FINANCING SOURCES (USES):			
Bonds and Notes Issued		—	
TOTAL OTHER FINANCING SOURCES (USES)		**—**	
NET CHANGE IN FUND BALANCES		**(207)**	
BUDGETARY FUND BALANCES (DEFICITS), JULY 1		495	
Outstanding Encumbrances at Beginning of Fiscal Year		207	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		**$ 495**	

OHIO PARKS AND NATURAL RESOURCES			HIGHWAY CAPITAL IMPROVEMENTS		
BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
	$ 78			$ 985	
	7			—	
	85			**985**	
$ 48,748	48,600	$ 148	$ 449,218	427,903	$ 21,315
$ 48,748	**48,600**	**$ 148**	**$ 449,218**	**427,903**	**$ 21,315**
	(48,515)			**(426,918)**	
	81,407			—	
	81,407			**—**	
	32,892			**(426,918)**	
	(41,372)			25,316	
	45,254			286,117	
	$ 36,774			**$ (115,485)**	

(continued)

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) NONMAJOR CAPITAL PROJECT FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

(continued)

	TRANSPORTATION BUILDING IMPROVEMENTS		
	BUDGET		VARIANCE WITH FINAL BUDGET
	FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
REVENUES:			
Investment Income		$ 182	
Other		—	
TOTAL REVENUES		**182**	
BUDGETARY EXPENDITURES:			
CAPITAL OUTLAY	$ 22	22	$ —
TOTAL BUDGETARY EXPENDITURES	**$ 22**	**22**	**$ —**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES		**160**	
OTHER FINANCING SOURCES (USES):			
Bonds and Notes Issued		100,094	
TOTAL OTHER FINANCING SOURCES (USES)		**100,094**	
NET CHANGE IN FUND BALANCES		**100,254**	
BUDGETARY FUND BALANCES (DEFICITS), JULY 1		—	
Outstanding Encumbrances at Beginning of Fiscal Year		—	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		**$ 100,254**	

TOTAL			
BUDGET			VARIANCE WITH FINAL BUDGET
FINAL	ACTUAL		POSITIVE/ (NEGATIVE)
	$ 2,319		
	5,507		
	7,826		
$ 1,007,072	910,185	$	96,887
$ 1,007,072	**910,185**	**$**	**96,887**
	(902,359)		
	570,528		
	570,528		
	(331,831)		
	(85,478)		
	574,153		
	$ 156,844		

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NONMAJOR ENTERPRISE FUNDS

Enterprise Funds may be used to report any activity for which a fee is charged to external users for goods or services.

Tuition Trust Authority Fund

The Tuition Trust Authority Fund accounts for the operations of the Ohio Tuition Trust Authority, including the sale of tuition credits under its guaranteed return option program.

Office of Auditor of State Fund

The Office of Auditor of State Fund accounts for the operations of the Ohio Auditor of State's Office, which provides government audit and management advisory services to Ohio's public offices.

STATE OF OHIO

COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS -- ENTERPRISE
JUNE 30, 2015

(dollars in thousands)

	TUITION TRUST AUTHORITY	OFFICE OF AUDITOR OF STATE	TOTAL NONMAJOR PROPRIETARY FUNDS
ASSETS:			
CURRENT ASSETS:			
Cash Equity with Treasurer	$ 600	$ 36,165	$ 36,765
Cash and Cash Equivalents	32,367	—	32,367
Collateral on Lent Securities	146	—	146
Restricted Assets:			
Investments	76,400	—	76,400
Intergovernmental Receivable	—	6,129	6,129
Interfund Receivable	—	1,216	1,216
Other Receivables	1,416	81	1,497
TOTAL CURRENT ASSETS	110,929	43,591	154,520
NONCURRENT ASSETS:			
Restricted Assets:			
Investments	323,518	—	323,518
Investments	1,202	—	1,202
Interfund Receivable	—	7,499	7,499
Other Assets	9	—	9
Capital Assets Being Depreciated, Net	75	1,354	1,429
TOTAL NONCURRENT ASSETS	324,804	8,853	333,657
TOTAL ASSETS	435,733	52,444	488,177
DEFERRED OUTFLOWS OF RESOURCES	126	4,324	4,450
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**435,859**	**56,768**	**492,627**
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts Payable	1,480	252	1,732
Accrued Liabilities	326	2,912	3,238
Obligations Under Securities Lending	146	—	146
Interfund Payable	—	117	117
Unearned Revenue	—	932	932
Benefits Payable	76,400	—	76,400
Refund and Other Liabilities	—	1,484	1,484
TOTAL CURRENT LIABILITIES	78,352	5,697	84,049
NONCURRENT LIABILITIES:			
Interfund Payable	—	7,499	7,499
Benefits Payable	266,400	—	266,400
Refund and Other Liabilities	1,113	48,351	49,464
TOTAL NONCURRENT LIABILITIES	267,513	55,850	323,363
TOTAL LIABILITIES	345,865	61,547	407,412
DEFERRED INFLOWS OF RESOURCES	23	726	749
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**345,888**	**62,273**	**408,161**
NET POSITION (DEFICITS):			
Net Investment in Capital Assets	75	1,354	1,429
Unrestricted	89,896	(6,859)	83,037
TOTAL NET POSITION (DEFICITS)	**$ 89,971**	**$ (5,505)**	**$ 84,466**

STATE OF OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS -- ENTERPRISE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

	TUITION TRUST AUTHORITY	OFFICE OF AUDITOR OF STATE	TOTAL NONMAJOR PROPRIETARY FUNDS
OPERATING REVENUES:			
Charges for Sales and Services	$ 9,363	$ 43,123	$ 52,486
Investment Income	(720)	—	(720)
Other	80,400	325	80,725
TOTAL OPERATING REVENUES	**89,043**	**43,448**	**132,491**
OPERATING EXPENSES:			
Costs of Sales and Services	—	64,567	64,567
Administration	8,400	3,476	11,876
Benefits and Claims	63,361	—	63,361
Depreciation	40	393	433
Other	—	1,596	1,596
TOTAL OPERATING EXPENSES	**71,801**	**70,032**	**141,833**
OPERATING INCOME (LOSS)	**17,242**	**(26,584)**	**(9,342)**
NONOPERATING REVENUES (EXPENSES):			
Investment Income	—	5	5
TOTAL NONOPERATING REVENUES (EXPENSES)	**—**	**5**	**5**
INCOME (LOSS) BEFORE GAIN (LOSS) AND TRANSFERS	**17,242**	**(26,579)**	**(9,337)**
Transfers-in	—	28,262	28,262
TOTAL GAIN (LOSS) AND TRANSFERS	**—**	**28,262**	**28,262**
NET INCOME (LOSS)	**17,242**	**1,683**	**18,925**
NET POSITION (DEFICITS), JULY 1 (as restated)	72,729	(7,188)	65,541
NET POSITION (DEFICITS), JUNE 30	**$ 89,971**	**$ (5,505)**	**$ 84,466**

STATE OF OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS -- ENTERPRISE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

	TUITION TRUST AUTHORITY	OFFICE OF AUDITOR OF STATE	TOTAL NONMAJOR PROPRIETARY FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	$ —	$ 36,095	$ 36,095
Cash Received from Interfund Services Provided	—	10,282	10,282
Other Operating Cash Receipts	8,685	323	9,008
Cash Payments to Suppliers for Goods and Services	(5,398)	(508)	(5,906)
Cash Payments to Employees for Services	(2,589)	(63,988)	(66,577)
Cash Payments for Interfund Services Used	(499)	(3,381)	(3,880)
Other Operating Cash Payments	(63,361)	(2,770)	(66,131)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	**(63,162)**	**(23,947)**	**(87,109)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers-in	—	28,288	28,288
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	**—**	**28,288**	**28,288**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and Construction of Capital Assets	(6)	(156)	(162)
Proceeds from Sales of Capital Assets	—	26	26
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	**(6)**	**(130)**	**(136)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments	(291,495)	—	(291,495)
Proceeds from the Sales and Maturities of Investments	352,960	—	352,960
Investment Income Received	7,818	5	7,823
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	**69,283**	**5**	**69,288**
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	**6,115**	**4,216**	**10,331**
CASH AND CASH EQUIVALENTS, JULY 1	26,852	31,949	58,801
CASH AND CASH EQUIVALENTS, JUNE 30	**$ 32,967**	**$ 36,165**	**$ 69,132**

STATE OF OHIO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS -- ENTERPRISE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(dollars in thousands)

	TUITION TRUST AUTHORITY	OFFICE OF AUDITOR OF STATE	TOTAL NONMAJOR PROPRIETARY FUNDS
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	$ 17,242	$ (26,584)	$ (9,342)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Investment Income	720	—	720
Depreciation	40	393	433
Decrease (Increase) in Assets:			
Intergovernmental Receivable	—	3,348	3,348
Interfund Receivable	—	26	26
Other Receivables	(678)	289	(389)
Other Assets	(2)	—	(2)
Increase (Decrease) in Liabilities:			
Accounts Payable	14	(1,437)	(1,423)
Accrued Liabilities	(98)	(431)	(529)
Interfund Payable	—	376	376
Unearned Revenue	—	243	243
Benefits Payable	(80,400)	—	(80,400)
Refund and Other Liabilities	—	(170)	(170)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	**$ (63,162)**	**$ (23,947)**	**$ (87,109)**

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AGENCY FUNDS

Agency Funds account for resources the State holds in a purely custodial capacity (assets equal liabilities) for individuals, private organizations, or other governments.

Holding and Distribution Fund

The Holding and Distribution Fund accounts for assets held until such time that a determination has been made to refund amounts to the individuals, private organizations, or other governments.

Centralized Child Support Collections Fund

The Centralized Child Support Collections Fund accounts for assets temporarily held for custodial parents.

Retirement Systems Fund

The Retirement Systems Fund accounts for assets held in the custody of the Treasurer of State for the Ohio Public Employees Retirement System, Ohio Police and Fire Pension Fund, School Employees Retirement System of Ohio, and State Teachers Retirement System of Ohio. While legal custodian, the Treasurer of State does not manage or provide investment services to the foregoing retirement systems.

Payroll Withholding and Fringe Benefits Fund

The Payroll Withholding and Fringe Benefits Fund primarily accounts for assets held to liquidate the State's payroll withholding obligations.

Other Fund

The Other Fund accounts for assets held for others, which are not accounted for in another agency fund.

STATE OF OHIO
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2015
(dollars in thousands)

	HOLDING AND DISTRIBUTION	CENTRALIZED CHILD SUPPORT COLLECTIONS	RETIREMENT SYSTEMS
ASSETS:			
Cash Equity with Treasurer	$ 56,693	$ —	$ —
Cash and Cash Equivalents	110	56,934	—
Investments (at fair value):			
U.S. Government and Agency Obligations	—	—	11,009,828
Common and Preferred Stock	—	—	43,531,218
Corporate Bonds and Notes	—	—	13,065,822
Foreign Stocks and Bonds	—	—	45,591,052
Commercial Paper	—	—	2,280,044
Repurchase Agreements	—	—	700,000
Mutual Funds	—	—	12,263,710
Real Estate	—	—	20,146,109
Venture Capital	—	—	18,790,772
Direct Mortgage Loans	—	—	8,844,067
Partnership and Hedge Funds	—	—	18,071,605
State Treasury Asset Reserve of Ohio (STAR Ohio)	—	6,397	—
Collateral on Lent Securities	13,820	—	—
Other Assets	—	—	—
TOTAL ASSETS	**$ 70,623**	**$ 63,331**	**$ 194,294,227**
LIABILITIES:			
Obligations Under Securities Lending	$ 13,820	$ —	$ —
Intergovernmental Payable	26,697	—	—
Refund and Other Liabilities	30,106	63,331	194,294,227
TOTAL LIABILITIES	**$ 70,623**	**$ 63,331**	**$ 194,294,227**

PAYROLL WITHHOLDING AND FRINGE BENEFITS	OTHER	TOTAL
$ 124,862	$ 169,036	$ 350,591
24,343	66,784	148,171
—	—	11,009,828
—	—	43,531,218
—	—	13,065,822
—	—	45,591,052
—	—	2,280,044
—	—	700,000
—	3,295	12,267,005
—	—	20,146,109
—	—	18,790,772
—	—	8,844,067
—	—	18,071,605
—	56,731	63,128
30,438	41,206	85,464
—	423,366	423,366
$ 179,643	**$ 760,418**	**$ 195,368,242**
$ 30,438	$ 41,206	$ 85,464
27,719	175,066	229,482
121,486	544,146	195,053,296
$ 179,643	**$ 760,418**	**$ 195,368,242**

STATE OF OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

	BALANCE July 1, 2014	ADDITIONS	DEDUCTIONS	BALANCE June 30, 2015
HOLDING AND DISTRIBUTION				
ASSETS				
Cash Equity with Treasurer	$ 34,494	$ 3,097,698	$ 3,075,499	$ 56,693
Cash and Cash Equivalents	674	15,642	16,206	110
Collateral on Lent Securities	9,597	13,820	9,597	13,820
Other Receivables	1,468	—	1,468	—
Total Assets	**$ 46,233**	**$ 3,127,160**	**$ 3,102,770**	**$ 70,623**
LIABILITIES				
Obligations Under Securities Lending	$ 9,597	$ 13,820	$ 9,597	$ 13,820
Intergovernmental Payable	27,005	42,100	42,408	26,697
Refund and Other Liabilities	9,631	3,071,240	3,050,765	30,106
Total Liabilities	**$ 46,233**	**$ 3,127,160**	**$ 3,102,770**	**$ 70,623**
CENTRALIZED CHILD SUPPORT COLLECTIONS				
ASSETS				
Cash and Cash Equivalents	$ 57,366	$ 1,926,110	$ 1,926,542	$ 56,934
Investments	6,372	27	2	6,397
Total Assets	**$ 63,738**	**$ 1,926,137**	**$ 1,926,544**	**$ 63,331**
LIABILITIES				
Refund and Other Liabilities	$ 63,738	$ 1,926,137	$ 1,926,544	$ 63,331
Total Liabilities	**$ 63,738**	**$ 1,926,137**	**$ 1,926,544**	**$ 63,331**
RETIREMENT SYSTEMS				
ASSETS				
Investments	$ 191,832,980	$ 475,106,674	$ 472,645,427	$ 194,294,227
Total Assets	**$ 191,832,980**	**$ 475,106,674**	**$ 472,645,427**	**$ 194,294,227**
LIABILITIES				
Refund and Other Liabilities :				
Liability to:				
Public Employees Retirement System	$ 88,048,897	$ 216,772,833	$ 214,179,942	$ 90,641,788
Police and Fire Pension Fund	14,148,215	178,279,327	177,995,297	14,432,245
School Employees Retirement System	13,087,590	43,508,439	43,601,311	12,994,718
State Teachers Retirement System	76,548,278	36,546,075	36,868,877	76,225,476
Total Liabilities	**$ 191,832,980**	**$ 475,106,674**	**$ 472,645,427**	**$ 194,294,227**

	BALANCE July 1, 2014	ADDITIONS	DEDUCTIONS	BALANCE June 30, 2015
PAYROLL WITHHOLDING AND FRINGE BENEFITS				
ASSETS				
Cash Equity with Treasurer	$ 77,341	$ 1,441,086	$ 1,393,565	$ 124,862
Cash and Cash Equivalents	33,240	488,357	497,254	24,343
Collateral on Lent Securities	20,011	30,438	20,011	30,438
Total Assets	**$ 130,592**	**$ 1,959,881**	**$ 1,910,830**	**$ 179,643**
LIABILITIES				
Obligations Under Securities Lending	$ 20,011	$ 30,438	$ 20,011	$ 30,438
Intergovernmental Payable	27,784	27,719	27,784	27,719
Refund and Other Liabilities	82,797	1,499,063	1,460,374	121,486
Total Liabilities	**$ 130,592**	**$ 1,557,220**	**$ 1,508,169**	**$ 179,643**
OTHER				
ASSETS				
Cash Equity with Treasurer	$ 161,319	$ 3,082,208	$ 3,074,491	$ 169,036
Cash and Cash Equivalents	82,471	79,199,165	79,214,852	66,784
Investments	74,449	33,556	47,979	60,026
Collateral on Lent Securities	44,883	41,206	44,883	41,206
Other Assets	417,333	109,041	103,008	423,366
Total Assets	**$ 780,455**	**$ 82,465,176**	**$ 82,485,213**	**$ 760,418**
LIABILITIES				
Obligations Under Securities Lending	$ 44,883	$ 41,206	$ 44,883	$ 41,206
Intergovernmental Payable	167,633	3,076,774	3,069,341	175,066
Refund and Other Liabilities	567,939	79,347,196	79,370,989	544,146
Total Liabilities	**$ 780,455**	**$ 82,465,176**	**$ 82,485,213**	**$ 760,418**
TOTAL AGENCY				
ASSETS				
Cash Equity with Treasurer	$ 273,154	$ 7,620,992	$ 7,543,555	$ 350,591
Cash and Cash Equivalents	173,751	81,629,274	81,654,854	148,171
Investments	191,913,801	475,140,257	472,693,408	194,360,650
Collateral on Lent Securities	74,491	85,464	74,491	85,464
Other Receivables	1,468	—	1,468	—
Other Assets	417,333	109,041	103,008	423,366
Total Assets	**$ 192,853,998**	**$ 564,585,028**	**$ 562,070,784**	**$ 195,368,242**
LIABILITIES				
Obligations Under Securities Lending	$ 74,491	$ 85,464	$ 74,491	$ 85,464
Intergovernmental Payable	222,422	3,146,593	3,139,533	229,482
Refund and Other Liabilities	192,557,085	560,950,310	558,454,099	195,053,296
Total Liabilities	**$ 192,853,998**	**$ 564,182,367**	**$ 561,668,123**	**$ 195,368,242**

NONMAJOR DISCRETELY PRESENTED COMPONENT UNIT FUNDS

Nonmajor Discretely Presented Component Unit Funds account for the financial activities of the State of Ohio's component units, organizations that are legally separate from the State's primary government and for which the primary government is financially accountable.

Ohio Turnpike and Infrastructure Commission Fund

The Ohio Turnpike and Infrastructure Commission Fund accounts for the operations of the Ohio Turnpike and Infrastructure Commission, including its projects to construct, maintain and operate public roadways, express or limited excess highways, superhighways, or motorways necessary for safe movement of traffic including bridges, tunnels, overpasses, underpasses, interchanges, entrance plazas, approaches, and toll booths. The Commission's Financial Statements are presented for the fiscal year end December 31, 2014. The Commission is located in Berea, Ohio.

Ohio Air Quality Development Authority Fund

The Ohio Air Quality Development Authority Fund accounts for the Ohio Air Quality Development Authority's operations, including programs that assist Ohio's businesses, government agencies, and not-for-profit organizations with financing projects that increase energy efficiency and reduce air pollution. The Authority's financial statements are presented for the fiscal year ended December 31, 2014

Ohio Capital Fund

The Ohio Capital Fund accounts for the operations of the State's venture capital program.

JobsOhio Fund

The JobsOhio Fund accounts for the operations of the nonprofit corporation, JobsOhio, including promoting economic development, job creation, job retention, job training, and the recruitment of business to the State of Ohio.

University of Cincinnati Fund

The University of Cincinnati Fund accounts for the operations of University of Cincinnati and The University of Cincinnati Foundation. The university is located in Cincinnati, Ohio.

Ohio University Fund

The Ohio University Fund accounts for the operations of Ohio University and the Ohio University Foundation. The university is located in Athens, Ohio.

Miami University Fund

The Miami University Fund accounts for the operations of Miami University and the Miami University Foundation. The university is located in Oxford, Ohio.

University of Akron Fund

The University of Akron Fund accounts for the operations of the University of Akron, the University of Akron Foundation, and the University of Akron Research Foundation.

Bowling Green State University Fund

The Bowling Green State University Fund accounts for the operations of Bowling Green State University and the Bowling Green State University Foundation.

Kent State University Fund

The Kent State University Fund accounts for the operations of Kent State University and the Kent State University Foundation.

University of Toledo Fund
The University of Toledo Fund accounts for the operations of the University of Toledo, the University of Toledo Foundation, and the University of Toledo Physicians, Clinical Faculty, Inc.

Cleveland State University Fund
The Cleveland State University Fund accounts for the operations of Cleveland State University, the Cleveland State University Foundation, and the Euclid Avenue Housing Corporation.

Youngstown State University Fund
The Youngstown State University Fund accounts for the operations of Youngstown State University and the Youngstown State University Foundation.

Wright State University Fund
The Wright State University Fund accounts for the operations of Wright State University and the Wright State University Foundation. The university is located in Dayton, Ohio.

Shawnee State University Fund
The Shawnee State University Fund accounts for the operations of Shawnee State University and the Shawnee State University Development Foundation. The university is located in Portsmouth, Ohio.

Northeast Ohio Medical University Fund
The Northeast Ohio Medical University Fund accounts for the operations of Northeast Ohio Medical University and NEOMED Foundation. The college is located in Rootstown, Ohio.

Central State University Fund
The Central State University Fund accounts for the operations of Central State University and the Central State University Foundation. The university is located in Wilberforce, Ohio with a branch campus in Dayton, Ohio.

Terra State Community College Fund
The Terra State Community College Fund accounts for the operations of Terra State Community College and Terra College Foundation. The college is located in Fremont, Ohio.

Columbus State Community College Fund
The Columbus State Community College Fund accounts for the operations of Columbus State Community College and the Columbus State Community College Development Foundation, Inc.

Clark State Community College Fund
The Clark State Community College Fund accounts for the operations of Clark State Community College and the Clark State Community College Foundation. The college is located in Springfield, Ohio.

Edison State Community College Fund
The Edison State Community College Fund accounts for the operations of Edison State Community College and the Edison Foundation, Inc. The college is located in Piqua, Ohio.

Southern State Community College Fund
The Southern State Community College Fund accounts for the operations of Southern State Community College and the Southern State Community College Foundation. The college is located in Hillsboro, Ohio.

Washington State Community College Fund

The Washington State Community College Fund accounts for the operations of Washington State Community College and the Washington State Foundation. The college is located in Marietta, Ohio.

Cincinnati State Community College Fund

The Cincinnati State Community College Fund accounts for the operations of Cincinnati State Technical and Community College.

Northwest State Community College Fund

The Northwest State Community College Fund accounts for the operations of Northwest State Community College and the Northwest State Community College Foundation. The college is located in Archbold, Ohio.

Owens State Community College Fund

The Owens State Community College Fund accounts for the operations of Owens State Community College and the Owens State Community College Foundation. The college is located in Toledo, Ohio with a branch campus in Findlay, Ohio.

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STATE OF OHIO
COMBINING STATEMENT OF NET POSITION
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2015
(dollars in thousands)

	OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION (as of 12/31/14)	OHIO AIR QUALITY DEVELOPMENT AUTHORITY (as of 12/31/14)	OHIO CAPITAL FUND
ASSETS:			
CURRENT ASSETS:			
Cash Equity with Treasurer	$ —	$ 12,320	$ —
Cash and Cash Equivalents	53,068	1,600	8,570
Investments	39,591	1,721	—
Restricted Assets:			
Cash and Cash Equivalents	15,758	—	—
Investments	185,052	—	—
Intergovernmental Receivable	—	—	—
Loans Receivable, Net	—	10,614	—
Receivable from Primary Government	402	—	—
Other Receivables	14,621	166	3
Inventories	6,024	—	—
Other Assets	3,304	12	—
TOTAL CURRENT ASSETS	317,820	26,433	8,573
NONCURRENT ASSETS:			
Restricted Assets:			
Cash and Cash Equivalents	111,449	778	—
Investments	715,676	—	—
Investments	—	3,918	108,208
Loans Receivable, Net	—	2,973	—
Other Receivables	—	—	—
Other Assets	—	—	—
Capital Assets Being Depreciated, Net	1,371,393	5	—
Capital Assets Not Being Depreciated	—	—	—
TOTAL NONCURRENT ASSETS	2,198,518	7,674	108,208
TOTAL ASSETS	2,516,338	34,107	116,781
DEFERRED OUTFLOWS OF RESOURCES	19,582	—	—
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**2,535,920**	**34,107**	**116,781**
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts Payable	3,920	28	—
Accrued Liabilities	28,454	16	3,235
Intergovernmental Payable	—	—	—
Unearned Revenue	—	—	—
Refund and Other Liabilities	25,044	—	—
Bonds and Notes Payable	29,445	—	10,960
TOTAL CURRENT LIABILITIES	86,863	44	14,195
NONCURRENT LIABILITIES:			
Intergovernmental Payable	—	—	—
Unearned Revenue	—	—	—
Refund and Other Liabilities	6,776	—	—
Payable to Primary Government	18,239	765	—
Bonds and Notes Payable	1,618,950	—	158,409
TOTAL NONCURRENT LIABILITIES	1,643,965	765	158,409
TOTAL LIABILITIES	1,730,828	809	172,604
DEFERRED INFLOWS OF RESOURCES	—	—	—
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**1,730,828**	**809**	**172,604**
NET POSITION (DEFICITS):			
Net Investment in Capital Assets	778,519	5	—
Restricted for:			
Transportation	244,206	—	—
Community and Economic Development	—	21,308	—
Nonexpendable:			
Scholarships and Fellowships	—	—	—
Research	—	—	—
Endowments and Quasi-Endowments	—	—	—
Loans, Grants and Other College and University Purposes	—	—	—
Expendable:			
Scholarships and Fellowships	—	—	—
Research	—	—	—
Instructional Department Uses	—	—	—
Student and Public Services	—	—	—
Academic Support	—	—	—
Debt Service	—	—	—
Capital Purposes	—	—	—
Endowments and Quasi-Endowments	—	—	—
Current Operations	—	—	—
Loans, Grants and Other College and University Purposes	—	—	—
Unrestricted	(217,633)	11,985	(55,823)
TOTAL NET POSITION (DEFICITS)	**$ 805,092**	**$ 33,298**	**$ (55,823)**

JOBSOHIO	UNIVERSITY OF CINCINNATI	OHIO UNIVERSITY	MIAMI UNIVERSITY	UNIVERSITY OF AKRON	BOWLING GREEN STATE UNIVERSITY
$ —	$ —	$ —	$ —	$ —	$ —
214,643	88,722	84,163	132,909	17,099	10,168
270,272	201,681	289,541	591,270	157,038	188,892
120,865	—	—	—	—	—
—	—	—	—	—	—
—	—	9,382	3,166	—	—
508	4,866	1,403	4,795	1,490	9,603
—	806	2,438	9,697	—	—
430	76,018	58,458	25,654	34,669	3,363
59,514	—	3,027	3,300	784	2,033
1,373	22,627	11,770	4,576	4,489	2,617
667,605	394,720	460,182	775,367	215,569	216,676
—	—	18,480	2,911	4,660	—
—	924,062	—	446,957	12,438	39,420
—	228,503	744,593	—	240,810	146,537
6,610	23,390	11,977	4,796	8,807	7,030
—	7,073	13,236	37,928	8,927	4,758
1,246,531	472,400	21,719	251	—	4,650
1,811	1,256,166	696,780	916,094	687,005	473,271
—	278,680	242,340	132,113	67,712	57,550
1,254,952	3,190,274	1,749,125	1,541,050	1,030,359	733,216
1,922,557	3,584,994	2,209,307	2,316,417	1,245,928	949,892
—	62,476	2,730	19,804	54,514	—
1,922,557	**3,647,470**	**2,212,037**	**2,336,221**	**1,300,442**	**949,892**
17,379	65,022	37,535	35,522	6,338	19,308
103,677	40,387	39,924	15,501	31,250	10,355
—	—	—	—	—	—
—	29,196	33,839	10,912	24,918	11,080
10	79,315	12,663	12,967	6,512	9,572
43,440	33,920	19,486	27,239	24,985	13,667
164,506	247,840	143,447	102,141	94,003	63,982
—	21,862	—	—	—	8,318
—	—	—	—	—	—
38	625,402	375,535	290,081	435,502	206,127
—	—	—	—	—	—
1,477,051	987,605	569,432	628,374	419,085	198,693
1,477,089	1,634,869	944,967	918,455	854,587	413,138
1,641,595	1,882,709	1,088,414	1,020,596	948,590	477,120
—	68,131	15,979	42,117	60,441	11,029
1,641,595	**1,950,840**	**1,104,393**	**1,062,713**	**1,009,031**	**488,149**
1,811	544,621	602,572	564,091	308,324	341,937
—	—	—	—	—	—
4,798	—	—	—	—	—
—	143,945	—	—	—	53,330
—	55,680	—	—	—	409
—	445,626	214,691	281,718	125,604	8,455
—	427,424	—	—	—	23,190
—	57,960	8,127	42,923	826	28,390
—	103,923	2,223	1,979	36,710	628
—	35,988	40,754	19,544	—	21,443
—	48,658	2,874	3,438	—	—
—	32,127	4,846	40,904	—	—
—	—	—	—	342	—
—	30,525	3,285	6,453	4,645	21,683
—	73,164	254,537	—	91,559	2,380
—	(3,942)	17,676	11,693	—	—
—	74,404	12,639	89,334	—	—
274,353	(373,473)	(56,580)	211,431	(276,599)	(40,102)
$ 280,962	**$ 1,696,630**	**$ 1,107,644**	**$ 1,273,508**	**$ 291,411**	**$ 461,743**

(continued)

STATE OF OHIO
COMBINING STATEMENT OF NET POSITION
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2015
(dollars in thousands)

(continued)

	KENT STATE UNIVERSITY	UNIVERSITY OF TOLEDO	CLEVELAND STATE UNIVERSITY
ASSETS:			
CURRENT ASSETS:			
Cash Equity with Treasurer	$ —	$ —	$ —
Cash and Cash Equivalents	135,649	53,972	120,839
Investments	281,197	—	52,575
Restricted Assets:			
Cash and Cash Equivalents	—	—	—
Investments	—	—	—
Intergovernmental Receivable	3,811	13,259	—
Loans Receivable, Net	—	1,632	1,647
Receivable from Primary Government	1,431	7,126	370
Other Receivables	30,661	89,678	30,934
Inventories	1,516	8,917	286
Other Assets	5,917	6,783	1,283
TOTAL CURRENT ASSETS	460,182	181,367	207,934
NONCURRENT ASSETS:			
Restricted Assets:			
Cash and Cash Equivalents	126,311	—	—
Investments	—	343,162	29,312
Investments	255,537	164,322	90,530
Loans Receivable, Net	43,061	13,016	12,025
Other Receivables	5,255	16,928	27,652
Other Assets	4,928	9,862	1,112
Capital Assets Being Depreciated, Net	642,412	614,929	430,053
Capital Assets Not Being Depreciated	159,415	47,497	131,277
TOTAL NONCURRENT ASSETS	1,236,919	1,209,716	721,961
TOTAL ASSETS	1,697,101	1,391,083	929,895
DEFERRED OUTFLOWS OF RESOURCES	1,568	22,500	11,490
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**1,698,669**	**1,413,583**	**941,385**
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts Payable	35,865	27,309	12,710
Accrued Liabilities	35,166	38,568	3,649
Intergovernmental Payable	—	560	—
Unearned Revenue	25,112	35,224	8,504
Refund and Other Liabilities	14,531	30,737	19,241
Bonds and Notes Payable	20,733	14,926	37,587
TOTAL CURRENT LIABILITIES	131,407	147,324	81,691
NONCURRENT LIABILITIES:			
Intergovernmental Payable	—	—	—
Unearned Revenue	9,344	—	1,201
Refund and Other Liabilities	467,161	444,551	236,673
Payable to Primary Government	—	—	—
Bonds and Notes Payable	462,531	292,962	288,703
TOTAL NONCURRENT LIABILITIES	939,036	737,513	526,577
TOTAL LIABILITIES	1,070,443	884,837	608,268
DEFERRED INFLOWS OF RESOURCES	20,938	6,368	19,860
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**1,091,381**	**891,205**	**628,128**
NET POSITION (DEFICITS):			
Net Investment in Capital Assets	370,384	348,799	292,943
Restricted for:			
Transportation	—	—	—
Community and Economic Development	—	—	—
Nonexpendable:			
Scholarships and Fellowships	—	60,046	1,470
Research	—	9,257	—
Endowments and Quasi-Endowments	46,889	—	52,211
Loans, Grants and Other College and University Purposes	—	55,803	—
Expendable:			
Scholarships and Fellowships	—	93,669	18,766
Research	—	6,768	1,444
Instructional Department Uses	—	—	6,329
Student and Public Services	—	—	5,288
Academic Support	—	62,252	254
Debt Service	—	19,100	—
Capital Purposes	—	31,204	34
Endowments and Quasi-Endowments	—	—	233
Current Operations	—	—	—
Loans, Grants and Other College and University Purposes	149,867	59,123	38,554
Unrestricted	40,148	(223,643)	(104,269)
TOTAL NET POSITION (DEFICITS)	**$ 607,288**	**$ 522,378**	**$ 313,257**

YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	SHAWNEE STATE UNIVERSITY	NORTHEAST OHIO MEDICAL UNIVERSITY	CENTRAL STATE UNIVERSITY	TERRA STATE COMMUNITY COLLEGE
$ —	$ —	$ —	$ —	$ —	$ —
14,143	22,364	894	4,847	6,108	1,977
182,574	20,344	123	22,167	—	966
—	—	—	—	—	—
—	—	—	—	—	—
765	6,637	—	2,434	—	143
404	4,371	86	353	—	65
1,684	4,269	26	291	—	661
9,708	26,712	7,643	3,464	4,112	1,752
1,186	114	42	181	362	271
1,717	4,904	193	1,199	41	169
212,181	89,715	9,007	34,936	10,623	6,004
1,671	8,858	236	940	5,366	—
87,976	—	18,257	4,034	—	—
15,166	188,763	20,252	41,947	4,484	6,634
1,772	10,997	—	4,480	—	—
2,911	9,260	342	1,429	—	45
188	793	1,112	2,532	1,139	12
175,915	353,496	70,656	206,458	89,365	28,894
22,859	15,103	23,214	3,656	28,526	1,808
308,458	587,270	134,069	265,476	128,880	37,393
520,639	676,985	143,076	300,412	139,503	43,397
10,611	19,322	—	—	1,887	1,366
531,250	**696,307**	**143,076**	**300,412**	**141,390**	**44,763**
3,506	13,922	819	2,047	570	115
5,870	9,828	2,649	9,577	3,283	484
1,402	—	—	38	—	—
8,769	28,456	1,384	2,529	494	361
3,221	15,472	2,139	990	1,678	938
3,004	6,973	558	2,456	1,680	130
25,772	74,651	7,549	17,637	7,705	2,028
—	—	—	30,682	—	—
—	2,241	652	—	—	—
139,374	238,652	41,378	5,557	25,310	19,636
—	—	—	—	—	—
64,794	92,936	18,194	156,507	31,527	5,665
204,168	333,829	60,224	192,746	56,837	25,301
229,940	408,480	67,773	210,383	64,542	27,329
18,681	33,120	2,647	640	3,195	3,551
248,621	**441,600**	**70,420**	**211,023**	**67,737**	**30,880**
132,793	277,230	67,314	46,522	89,527	25,512
—	—	—	—	—	—
—	—	—	—	—	—
—	17,509	4,049	6,488	2,552	—
—	8,365	—	—	—	—
8,166	—	119	11,568	—	2,439
57,810	17,111	5,987	97	—	—
9,982	22,246	1,444	—	255	1,779
325	3,872	27	—	—	—
3,231	26,806	—	—	—	488
1,698	975	—	—	—	98
695	14,532	—	—	—	37
—	—	—	—	—	—
11,684	—	—	—	—	56
6,947	—	897	—	—	—
621	—	—	8,828	—	—
1,072	31,356	6,340	—	—	—
47,605	(165,295)	(13,521)	15,886	(18,681)	(16,526)
$ 282,629	**$ 254,707**	**$ 72,656**	**$ 89,389**	**$ 73,653**	**$ 13,883**

(continued)

STATE OF OHIO
COMBINING STATEMENT OF NET POSITION
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2015
(dollars in thousands)

(continued)

	COLUMBUS STATE COMMUNITY COLLEGE	CLARK STATE COMMUNITY COLLEGE	EDISON STATE COMMUNITY COLLEGE
ASSETS:			
CURRENT ASSETS:			
Cash Equity with Treasurer	$ —	$ —	$ —
Cash and Cash Equivalents	13,454	12,005	1,963
Investments	55,192	17,118	3,021
Restricted Assets:			
Cash and Cash Equivalents	—	—	—
Investments	—	—	—
Intergovernmental Receivable	—	772	—
Loans Receivable, Net	—	86	—
Receivable from Primary Government	133	367	—
Other Receivables	28,565	3,245	2,317
Inventories	3,015	577	8
Other Assets	2,374	360	335
TOTAL CURRENT ASSETS	102,733	34,530	7,644
NONCURRENT ASSETS:			
Restricted Assets:			
Cash and Cash Equivalents	—	—	—
Investments	—	—	1,422
Investments	73,307	—	1,992
Loans Receivable, Net	—	—	—
Other Receivables	3,776	1,289	—
Other Assets	—	160	—
Capital Assets Being Depreciated, Net	129,396	45,599	15,713
Capital Assets Not Being Depreciated	26,698	2,469	892
TOTAL NONCURRENT ASSETS	233,177	49,517	20,019
TOTAL ASSETS	335,910	84,047	27,663
DEFERRED OUTFLOWS OF RESOURCES	13,876	2,542	1,188
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**349,786**	**86,589**	**28,851**
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts Payable	4,252	1,018	436
Accrued Liabilities	4,603	1,288	539
Intergovernmental Payable	—	14	—
Unearned Revenue	22,118	89	615
Refund and Other Liabilities	5,327	492	257
Bonds and Notes Payable	1,555	650	215
TOTAL CURRENT LIABILITIES	37,855	3,551	2,062
NONCURRENT LIABILITIES:			
Intergovernmental Payable	—	—	—
Unearned Revenue	—	—	—
Refund and Other Liabilities	177,526	32,835	13,212
Payable to Primary Government	—	—	—
Bonds and Notes Payable	6,920	13,790	2,890
TOTAL NONCURRENT LIABILITIES	184,446	46,625	16,102
TOTAL LIABILITIES	222,301	50,176	18,164
DEFERRED INFLOWS OF RESOURCES	31,232	5,630	1,863
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**253,533**	**55,806**	**20,027**
NET POSITION (DEFICITS):			
Net Investment in Capital Assets	147,619	33,715	14,035
Restricted for:			
Transportation	—	—	—
Community and Economic Development	—	—	—
Nonexpendable:			
Scholarships and Fellowships	4,055	—	—
Research	—	—	—
Endowments and Quasi-Endowments	—	9,367	144
Loans, Grants and Other College and University Purposes	—	—	—
Expendable:			
Scholarships and Fellowships	6,805	4,623	—
Research	—	—	—
Instructional Department Uses	—	38	—
Student and Public Services	—	2,943	—
Academic Support	—	—	—
Debt Service	—	161	1,422
Capital Purposes	28,956	4,765	—
Endowments and Quasi-Endowments	—	—	319
Current Operations	—	—	—
Loans, Grants and Other College and University Purposes	—	—	(135)
Unrestricted	(91,182)	(24,829)	(6,961)
TOTAL NET POSITION (DEFICITS)	**$ 96,253**	**$ 30,783**	**$ 8,824**

SOUTHERN STATE COMMUNITY COLLEGE	WASHINGTON STATE COMMUNITY COLLEGE	CINCINNATI STATE COMMUNITY COLLEGE	NORTHWEST STATE COMMUNITY COLLEGE	OWENS STATE COMMUNITY COLLEGE	TOTAL NONMAJOR COMPONENT UNITS
$ —	$ —	$ —	$ —	$ —	$ 12,320
4,070	7,136	5,621	4,330	6,513	1,026,827
—	—	11,610	816	2,373	2,390,082
—	—	—	—	—	136,623
—	—	—	—	—	185,052
—	—	1,296	166	746	42,577
—	—	—	—	8	41,931
—	—	12	268	1,234	31,215
4,327	4,332	10,627	2,375	11,645	485,479
13	149	152	439	1,059	92,969
181	159	1,980	57	2,304	80,724
8,591	11,776	31,298	8,451	25,882	4,525,799
946	—	—	—	—	282,606
1,883	—	—	—	—	2,624,599
—	859	8,994	8,713	728	2,354,797
—	—	—	—	60	150,994
—	—	668	44	80	141,601
—	—	—	—	—	1,767,389
27,478	13,118	85,035	17,734	72,600	8,421,376
4,069	980	2,321	1,307	13,867	1,264,353
34,376	14,957	97,018	27,798	87,335	17,007,715
42,967	26,733	128,316	36,249	113,217	21,533,514
1,417	922	1,609	1,503	6,473	257,380
44,384	**27,655**	**129,925**	**37,752**	**119,690**	**21,790,894**
307	1,394	1,220	875	7,542	298,959
336	76	2,561	153	4,767	396,196
—	—	—	—	—	2,014
—	2,122	4,570	578	5,327	256,197
226	40	6,094	254	3,682	251,402
935	—	2,427	—	1,001	297,972
1,804	3,632	16,872	1,860	22,319	1,502,740
—	—	—	—	—	60,862
—	—	—	—	—	13,438
19,575	12,829	90,002	20,408	93,729	4,017,869
—	—	—	—	—	19,004
16,480	—	40,462	—	2,207	7,554,167
36,055	12,829	130,464	20,408	95,936	11,665,340
37,859	16,461	147,336	22,268	118,255	13,168,080
2,643	2,250	9,542	3,474	16,248	379,579
40,502	**18,711**	**156,878**	**25,742**	**134,503**	**13,547,659**
14,087	14,098	46,119	19,022	83,258	5,164,857
—	—	—	—	—	244,206
—	—	—	—	—	26,106
—	388	—	862	1,487	296,181
—	—	—	—	—	73,711
2,089	—	2,792	—	—	1,211,878
—	—	—	—	343	587,765
67	441	3	4,393	840	303,539
—	—	—	—	—	157,899
—	—	—	—	—	154,621
334	—	—	—	—	66,306
—	—	—	—	—	155,647
—	—	1,313	—	—	22,338
2,734	1,544	—	293	—	147,861
—	—	2,742	—	—	432,778
—	—	—	—	—	34,876
—	—	—	101	538	463,193
(15,429)	(7,527)	(79,922)	(12,661)	(101,279)	(1,300,527)
$ 3,882	**$ 8,944**	**$ (26,953)**	**$ 12,010**	**$ (14,813)**	**$ 8,243,235**

STATE OF OHIO
COMBINING STATEMENT OF ACTIVITIES
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(dollars in thousands)

	OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION (as of 12/31/14)	OHIO AIR QUALITY DEVELOPMENT AUTHORITY (as of 12/31/14)	OHIO CAPITAL FUND
EXPENSES:			
Transportation	$ 301,316	$ —	$ —
Community and Economic Development	—	4,820	1,967
Education and General:			
Instruction and Departmental Research	—	—	—
Separately Budgeted Research	—	—	—
Public Service	—	—	—
Academic Support	—	—	—
Student Services	—	—	—
Institutional Support	—	—	—
Operation and Maintenance of Plant	—	—	—
Scholarships and Fellowships	—	—	—
Auxiliary Enterprises	—	—	—
Hospitals	—	—	—
Interest on Long-Term Debt	81,130	—	7,996
Depreciation	65,826	2	—
Other	—	—	—
TOTAL EXPENSES	**448,272**	**4,822**	**9,963**
PROGRAM REVENUES:			
Charges for Services, Fees, Fines and Forfeitures	287,273	1,066	—
Operating Grants, Contributions and Restricted Investment Income	—	369	—
Capital Grants, Contributions and Restricted Investment Income	—	—	—
TOTAL PROGRAM REVENUES	**287,273**	**1,435**	**—**
NET PROGRAM (EXPENSE) REVENUE	**(160,999)**	**(3,387)**	**(9,963)**
GENERAL REVENUES:			
Unrestricted Investment Income	6,269	103	8,813
State Assistance	2,487	—	—
Other	—	178	—
TOTAL GENERAL REVENUES	**8,756**	**281**	**8,813**
ADDITIONS (DEDUCTIONS) TO ENDOWMENTS AND PERMANENT FUND PRINCIPAL	**—**	**—**	**—**
SPECIAL ITEM	**—**	**—**	**(1,082)**
CHANGE IN NET POSITION	**(152,243)**	**(3,106)**	**(2,232)**
NET POSITION (DEFICITS), JULY 1 (as restated)	957,335	36,404	(53,591)
NET POSITION (DEFICITS), JUNE 30	**$ 805,092**	**$ 33,298**	**$ (55,823)**

JOBSOHIO	UNIVERSITY OF CINCINNATI	OHIO UNIVERSITY	MIAMI UNIVERSITY	UNIVERSITY OF AKRON	BOWLING GREEN STATE UNIVERSITY
$ —	$ —	$ —	$ —	$ —	$ —
826,531	—	—	—	—	—
—	286,873	252,151	178,335	162,172	121,303
—	144,793	45,160	13,789	38,028	6,470
—	62,016	28,425	3,607	6,985	4,503
—	96,795	80,421	54,723	35,115	26,417
—	63,177	51,486	23,218	14,139	16,128
—	115,910	65,382	44,215	52,516	32,431
—	56,032	52,841	32,876	23,382	20,480
—	35,653	13,888	19,284	25,152	18,001
—	101,694	76,920	107,586	64,489	69,520
—	—	—	—	—	—
56,849	46,658	18,554	28,324	19,149	8,125
482	109,851	39,758	43,293	41,784	30,460
—	10,167	7,356	3,942	818	25,714
883,862	**1,129,619**	**732,342**	**553,192**	**483,729**	**379,552**
982,581	801,790	320,911	491,963	278,281	229,699
—	160,999	49,164	66,755	48,633	60,869
—	7,064	302	12,115	606	830
982,581	**969,853**	**370,377**	**570,833**	**327,520**	**291,398**
98,719	**(159,766)**	**(361,965)**	**17,641**	**(156,209)**	**(88,154)**
678	4,172	(3,520)	1,827	(4,139)	(296)
—	224,783	172,985	85,721	108,601	79,780
56	14,192	228,447	—	39,491	4,619
734	**243,147**	**397,912**	**87,548**	**143,953**	**84,103**
—	**577**	**13,693**	**12,576**	**3,150**	**3,587**
—	—	—	—	—	—
99,453	**83,958**	**49,640**	**117,765**	**(9,106)**	**(464)**
181,509	1,612,672	1,058,004	1,155,743	300,517	462,207
$ 280,962	**$ 1,696,630**	**$ 1,107,644**	**$ 1,273,508**	**$ 291,411**	**$ 461,743**

(continued)

STATE OF OHIO
COMBINING STATEMENT OF ACTIVITIES
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(dollars in thousands)
(continued)

	KENT STATE UNIVERSITY	UNIVERSITY OF TOLEDO	CLEVELAND STATE UNIVERSITY
EXPENSES:			
Transportation	$ —	$ —	$ —
Community and Economic Development	—	—	—
Education and General:			
Instruction and Departmental Research	231,851	189,534	101,399
Separately Budgeted Research	16,732	40,738	7,740
Public Service	14,639	8,271	6,523
Academic Support	63,449	49,814	26,251
Student Services	32,746	21,379	19,175
Institutional Support	70,231	47,420	38,330
Operation and Maintenance of Plant	43,953	35,521	27,868
Scholarships and Fellowships	44,407	25,154	16,190
Auxiliary Enterprises	92,935	58,027	33,107
Hospitals	—	349,468	—
Interest on Long-Term Debt	17,656	13,605	7,910
Depreciation	45,339	58,510	31,566
Other	—	16,560	—
TOTAL EXPENSES	**673,938**	**914,001**	**316,059**
PROGRAM REVENUES:			
Charges for Services, Fees, Fines and Forfeitures	443,341	627,227	200,344
Operating Grants, Contributions and Restricted Investment Income	91,326	54,330	29,595
Capital Grants, Contributions and Restricted Investment Income	197	2,783	—
TOTAL PROGRAM REVENUES	**534,864**	**684,340**	**229,939**
NET PROGRAM (EXPENSE) REVENUE	**(139,074)**	**(229,661)**	**(86,120)**
GENERAL REVENUES:			
Unrestricted Investment Income	10,158	8,835	546
State Assistance	140,155	133,697	75,015
Other	18,584	60,532	21,679
TOTAL GENERAL REVENUES	**168,897**	**203,064**	**97,240**
ADDITIONS (DEDUCTIONS) TO ENDOWMENTS AND PERMANENT FUND PRINCIPAL	**—**	**—**	**—**
SPECIAL ITEM	—	—	—
CHANGE IN NET POSITION	**29,823**	**(26,597)**	**11,120**
NET POSITION (DEFICITS), JULY 1 (as restated)	577,465	548,975	302,137
NET POSITION (DEFICITS), JUNE 30	**$ 607,288**	**$ 522,378**	**$ 313,257**

YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	SHAWNEE STATE UNIVERSITY	NORTHEAST OHIO MEDICAL UNIVERSITY	CENTRAL STATE UNIVERSITY	TERRA STATE COMMUNITY COLLEGE
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
66,394	142,835	19,795	18,624	9,618	6,389
2,722	32,992	—	10,923	768	—
4,755	16,995	2,257	4,146	2,101	1,045
14,053	42,464	3,211	8,959	6,572	575
9,625	23,002	3,833	2,048	2,724	1,731
24,846	38,615	12,051	9,811	6,608	4,387
16,527	23,853	5,582	8,487	4,340	1,557
18,960	21,017	6,427	560	3,086	272
30,311	20,988	6,109	7,327	13,861	1,457
—	—	—	—	—	—
3,471	3,177	758	7,857	62	192
11,460	21,066	3,511	10,216	5,233	1,190
2,287	2,376	7	—	—	57
205,411	**389,380**	**63,541**	**88,958**	**54,973**	**18,852**
118,254	173,629	25,789	29,381	21,648	6,031
24,924	73,781	5,985	19,009	13,963	607
1,069	954	—	1,824	—	—
144,247	**248,364**	**31,774**	**50,214**	**35,611**	**6,638**
(61,164)	**(141,016)**	**(31,767)**	**(38,744)**	**(19,362)**	**(12,214)**
4,018	3,887	1,198	373	259	140
45,106	94,831	19,041	20,011	37,436	6,359
406	23,115	11,450	9,863	96	4,065
49,530	**121,833**	**31,689**	**30,247**	**37,791**	**10,564**
4,848	**—**	**—**	**769**	**—**	**—**
—	—	—	—	—	—
(6,786)	**(19,183)**	**(78)**	**(7,728)**	**18,429**	**(1,650)**
289,415	273,890	72,734	97,117	55,224	15,533
$ 282,629	**$ 254,707**	**$ 72,656**	**$ 89,389**	**$ 73,653**	**$ 13,883**

(continued)

STATE OF OHIO
COMBINING STATEMENT OF ACTIVITIES
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(dollars in thousands)
(continued)

	COLUMBUS STATE COMMUNITY COLLEGE	CLARK STATE COMMUNITY COLLEGE	EDISON STATE COMMUNITY COLLEGE
EXPENSES:			
Transportation	$ —	$ —	$ —
Community and Economic Development	—	—	—
Education and General:			
Instruction and Departmental Research	69,382	12,395	6,451
Separately Budgeted Research	—	—	—
Public Service	9,013	2,669	527
Academic Support	6,794	1,135	1,024
Student Services	15,232	3,641	2,113
Institutional Support	28,605	6,654	4,359
Operation and Maintenance of Plant	15,308	3,321	1,404
Scholarships and Fellowships	19,731	2,107	173
Auxiliary Enterprises	12,238	4,148	8
Hospitals	—	—	—
Interest on Long-Term Debt	269	578	106
Depreciation	7,060	1,946	1,006
Other	2,973	—	—
TOTAL EXPENSES	**186,605**	**38,594**	**17,171**
PROGRAM REVENUES:			
Charges for Services, Fees, Fines and Forfeitures	111,656	10,875	4,162
Operating Grants, Contributions and Restricted Investment Income	8,092	14,104	852
Capital Grants, Contributions and Restricted Investment Income	—	8	125
TOTAL PROGRAM REVENUES	**119,748**	**24,987**	**5,139**
NET PROGRAM (EXPENSE) REVENUE	**(66,857)**	**(13,607)**	**(12,032)**
GENERAL REVENUES:			
Unrestricted Investment Income	701	589	41
State Assistance	66,167	12,036	8,057
Other	—	13	4,008
TOTAL GENERAL REVENUES	**66,868**	**12,638**	**12,106**
ADDITIONS (DEDUCTIONS) TO ENDOWMENTS AND PERMANENT FUND PRINCIPAL	**—**	**94**	**—**
SPECIAL ITEM	—	—	—
CHANGE IN NET POSITION	**11**	**(875)**	**74**
NET POSITION (DEFICITS), JULY 1 (as restated)	96,242	31,658	8,750
NET POSITION (DEFICITS), JUNE 30	**$ 96,253**	**$ 30,783**	**$ 8,824**

SOUTHERN STATE COMMUNITY COLLEGE	WASHINGTON STATE COMMUNITY COLLEGE	CINCINNATI STATE COMMUNITY COLLEGE	NORTHWEST STATE COMMUNITY COLLEGE	OWENS STATE COMMUNITY COLLEGE	TOTAL NONMAJOR COMPONENT UNITS
$ —	$ —	$ —	$ —	$ —	$ 301,316
—	—	—	—	—	833,318
7,416	4,964	33,525	13,953	39,670	1,975,029
—	—	—	—	272	361,127
650	—	6,520	150	2,402	188,199
2,278	1,232	6,927	1,530	3,445	533,184
2,041	1,049	8,152	1,540	7,337	325,516
1,895	3,462	17,814	3,568	14,445	643,555
1,827	1,104	6,685	1,319	7,918	392,185
4,744	753	850	1,995	2,916	281,320
3,337	1,382	4,013	2,096	5,372	716,925
—	—	—	—	—	349,468
567	—	1,797	—	57	324,847
1,219	865	4,269	1,266	6,089	543,267
—	—	338	74	26	72,695
25,974	**14,811**	**90,890**	**27,491**	**89,949**	**7,841,951**
10,353	7,984	31,468	11,321	30,232	5,257,259
469	1,750	24,546	5,353	3,106	758,581
—	—	44	—	—	27,921
10,822	**9,734**	**56,058**	**16,674**	**33,338**	**6,043,761**
(15,152)	**(5,077)**	**(34,832)**	**(10,817)**	**(56,611)**	**(1,798,190)**
72	69	1,165	135	413	46,506
8,912	5,676	30,152	10,347	37,117	1,424,472
6,282	9	1,953	—	18,894	467,932
15,266	**5,754**	**33,270**	**10,482**	**56,424**	**1,938,910**
—	**—**	**—**	**—**	**108**	**39,402**
—	—	—	—	—	**(1,082)**
114	**677**	**(1,562)**	**(335)**	**(79)**	**179,040**
3,768	8,267	(25,391)	12,345	(14,734)	8,064,195
$ 3,882	**$ 8,944**	**$ (26,953)**	**$ 12,010**	**$ (14,813)**	**$ 8,243,235**

STATE OF OHIO

BALANCE SHEET
OHIO FACILITIES CONSTRUCTION COMMISSION
DISCRETELY PRESENTED COMPONENT UNIT
JUNE 30, 2015

(dollars in thousands)

	OHIO FACILITIES CONSTRUCTION COMMISSION
ASSETS:	
Cash Equity with Treasurer	$ 436,424
Investments	2,207
Collateral on Lent Securities	106,388
Loans Receivable, Net	1,830
TOTAL ASSETS	**$ 546,849**
LIABILITIES:	
Accounts Payable	$ 2,798
Accrued Liabilities	109
Obligations Under Securities Lending	106,388
Intergovernmental Payable	561,433
Refund and Other Liabilities	2,207
TOTAL LIABILITIES	672,935
DEFERRED INFLOWS OF RESOURCES	3,588,267
FUND BALANCES (DEFICITS):	
Restricted for:	
Community and Economic Development	2,799
Unassigned	(3,717,152)
TOTAL FUND BALANCES (DEFICITS)	(3,714,353)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 546,849**

STATE OF OHIO

RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
OHIO FACILITIES CONSTRUCTION COMMISSION
DISCRETELY PRESENTED COMPONENT UNIT
JUNE 30, 2015
(dollars in thousands)

	OHIO FACILITIES CONSTRUCTION COMMISSION
Total Fund Balances (Deficits)	***$ (3,714,353)***
Total net position reported for governmental activities in the Statement of Net Position is different because:	
Net pension assets in governmental activities are not financial resources, and therefore, are not reported in the funds	*25*
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. Those assets consist of:	
Land	*11,858*
Buildings and Improvements, net of $26,453 accumulated depreciation	*33,819*
Machinery and Equipment, net of $2,262 accumulated depreciation	*1,654*
	47,331
The following Deferred Outflows of Resources related to net pension assets/liabilities are not related to the current period and therefore, are not reported in the funds	*687*
	48,043
The following liabilities are not due and payable in the current period, and therefore, are not reported in the funds.	
Other Noncurrent Liabilities:	
Compensated Absences	*(842)*
Net Pension Liability	*(5,058)*
	(5,900)
The following Deferred Inflows of Resources related to net pension assets/liabilities are not related to the current period and therefore, are not reported in the funds	*(96)*
Total Net Position	***$ (3,672,306)***

STATE OF OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OHIO FACILITIES CONSTRUCTION COMMISSION
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

	OHIO FACILITIES CONSTRUCTION COMMISSION
REVENUES:	
State Assistance	$ 524,181
Investment Income	2,677
Other	29,120
TOTAL REVENUES	**555,978**
EXPENDITURES:	
CURRENT OPERATING:	
Primary, Secondary and Other Education	344,816
TOTAL EXPENDITURES	**344,816**
NET CHANGE IN FUND BALANCES	**211,162**
FUND BALANCES (DEFICITS), JULY 1	(3,925,515)
FUND BALANCES (DEFICITS), JUNE 30	**$ (3,714,353)**

STATE OF OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES OHIO FACILITIES CONSTRUCTION COMMISSION DISCRETELY PRESENTED COMPONENT UNIT FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(dollars in thousands)

	OHIO FACILITIES CONSTRUCTION COMMISSION
Net Change in Fund Balances	***$ 211,162***
The change in net position reported for governmental activities in the Statement of Activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays were in excess/deficient over depreciation in the current period.	
Capital Outlay Expenditures	*(41,408)*
Depreciation Expense	*(1,390)*
Excess / (Deficiency) of Capital Outlay Over Depreciation Expense	*(42,798)*
Expenses for compensated absences reported in the Statement of Activities are not reported as expenditures in the governmental funds.	*(10)*
Some revenues and expenses reported in the Statement of Activities are not reported as revenue and expenditures in the governmental funds. Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses, liabilities, and deferred resources are reported regardless of when financial resources are available. This adjustment combines the changes in the following balances:	
Decrease in Net Pension Asset / (Liability)	*80*
Change in Net Position	***$ 168,434***

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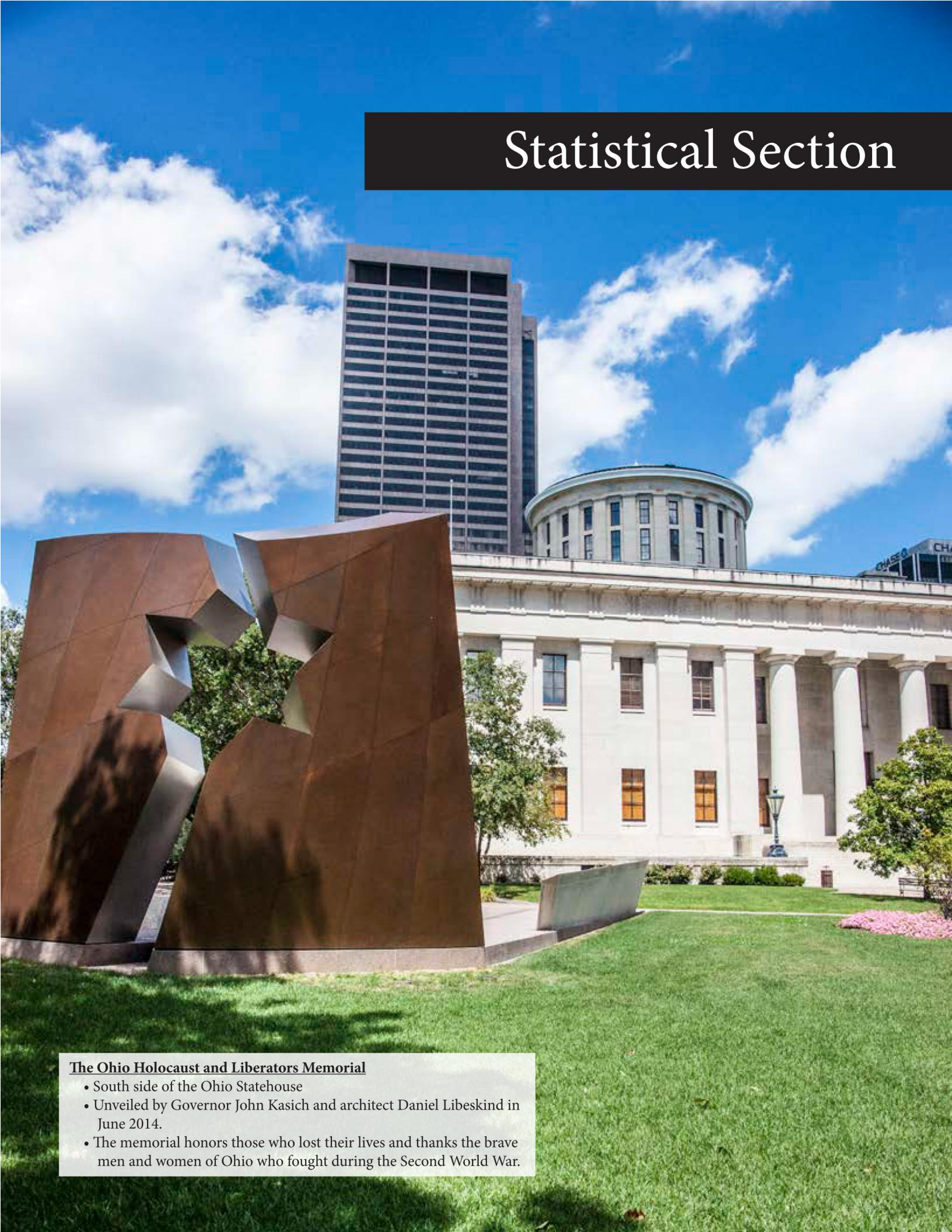
Statistical Section



The Ohio Holocaust and Liberators Memorial

- South side of the Ohio Statehouse
- Unveiled by Governor John Kasich and architect Daniel Libeskind in June 2014.
- The memorial honors those who lost their lives and thanks the brave men and women of Ohio who fought during the Second World War.

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STATISTICAL SECTION

This section of the State of Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

	Pages
Financial Trends	256-269
These schedules contain trend information to assist the reader in understanding how the State's financial performance and condition have changed over time.	
Revenue Capacity	270-283
These schedules contain information to assist the reader in assessing the State's two most significant own-source revenues: income taxes and sales taxes.	
Debt Capacity	284-293
These schedules present information to assist the reader in assessing the affordability of the State's current levels of outstanding debt and its ability to issue additional debt in the future.	
Economic and Demographic Information	294-297
These schedules offer economic and demographic indicators to assist the reader in understanding the environment within which the State's financial activities take place.	
Operating Information	298-305
These schedules contain service and infrastructure data to assist the reader in understanding how the information in the State's financial report relates to the services the State provides and to the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

STATE OF OHIO

NET POSITION BY COMPONENT
FOR THE LAST TEN FISCAL YEARS

(accrual basis of accounting)
(dollars in thousands)

	2015	2014	2013	2012
GOVERNMENTAL ACTIVITIES:				
Net Investment in Capital Assets	$ 23,396,447	$ 22,627,911	$ 22,489,929	$ 22,147,262
Restricted for:				
Primary, Secondary and Other Education	110,978	137,427	236,391	129,353
Higher Education Support	25,974	26,320	—	—
Public Assistance and Medicaid	746,730	508,588	535,410	219,153
Health and Human Services	81,982	54,834	100,424	101,056
Justice and Public Protection	122,305	30,570	42,623	29,516
Environmental Protection and Natural Resources	199,409	160,607	147,955	148,200
Transportation	3,370,828	3,238,716	3,064,127	2,613,620
General Government	200,748	133,877	131,823	93,089
State and Local Highway Construction	—	—	—	—
Federal Programs	—	—	—	—
Clean Ohio Program	—	—	—	—
Community and Economic Development	243,166	164,784	250,797	245,631
Enterprise Bond Program	—	—	—	—
Total Restricted Net Position	5,102,120	4,455,723	4,509,550	3,579,618
Unrestricted	(9,180,751)	(5,828,679)	(5,784,139)	(7,128,873)
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	$ 19,317,816	$ 21,254,955	$ 21,215,340	$ 18,598,007
BUSINESS-TYPE ACTIVITIES:				
Net Investment in Capital Assets	$ 159,466	$ 129,804	$ 92,290	$ 67,331
Restricted for:				
Workers' Compensation	9,125,985	9,334,215	6,690,414	7,760,634
Lottery Prizes	66,332	73,751	85,085	123,724
Unemployment Compensation	—	—	—	—
Ohio Building Authority	—	—	—	—
Tuition Trust Authority	89,896	73,631	39,379	—
Total Restricted Net Position	9,282,213	9,481,597	6,814,878	7,884,358
Unrestricted	(163,314)	(670,679)	(1,085,302)	(1,383,125)
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	$ 9,278,365	$ 8,940,722	$ 5,821,866	$ 6,568,564
PRIMARY GOVERNMENT:				
Net Investment in Capital Assets	$ 23,555,913	$ 22,757,715	$ 22,582,219	$ 22,214,593
Restricted	14,384,333	13,937,320	11,324,428	11,463,976
Unrestricted	(9,344,065)	(6,499,358)	(6,869,441)	(8,511,998)
TOTAL PRIMARY GOVERNMENT NET POSITION	$ 28,596,181	$ 30,195,677	$ 27,037,206	$ 25,166,571

Source:
Ohio Office of Budget and Management

Notes:

Beginning in fiscal year 2011, restricted net position categories have been revised to correspond with the categories presented for restricted fund balance.

Ohio Building Authority ceased operations December 31, 2011.

When practical, net position reported on the above table has been restated for prior period adjustments, corrections, and reclassifications. However, restatements do not include changes in reporting entity. For comparative purposes, however, the effects of such adjustments and corrections on the revenue and expense activity reported for the applicable fiscal years on the "Changes in Net Position" table may not have been determined for presentation on that table.

2011	2010	2009	2008	2007	2006
$ 23,157,156	$ 22,578,727	$ 22,325,346	$ 21,983,900	$ 21,477,381	$ 20,889,063
99,169	38,495	37,174	41,842	34,019	9,607
5,936	—	—	—	—	—
492,122	—	—	—	—	—
107,431	—	—	—	—	—
86,822	—	—	—	—	—
140,229	—	—	—	—	—
2,439,080	1,601,532	1,031,932	844,666	1,032,112	921,993
82,615	—	—	—	—	—
—	117,769	113,009	118,011	126,323	127,121
—	85,232	61,929	76,396	81,639	75,776
—	47,254	44,060	90,485	85,209	93,682
403,151	1,001,840	1,045,542	1,420,180	991,094	883,385
—	10,000	10,000	10,000	10,000	10,000
3,856,555	2,902,122	2,343,646	2,601,580	2,360,396	2,121,564
(8,249,343)	(7,384,680)	(6,110,855)	(4,006,732)	(4,315,273)	(4,067,042)
$ 18,764,368	$ 18,096,169	$ 18,558,137	$ 20,578,748	$ 19,522,504	$ 18,943,585
$ 54,430	$ 51,578	$ 37,059	$ 32,068	$ 19,322	$ 10,363
5,728,951	—	—	—	—	—
77,142	86,616	57,059	44,126	13,272	56,669
—	—	—	452,082	608,364	675,666
27,021	—	23,072	25,558	28,390	28,041
11,838	—	—	—	32,100	—
5,844,952	86,616	80,131	521,766	682,126	760,376
(1,820,494)	1,966,583	1,789,789	2,582,265	2,425,083	(247,241)
$ 4,078,888	$ 2,104,777	$ 1,906,979	$ 3,136,099	$ 3,126,531	$ 523,498
$ 23,211,586	$ 22,630,305	$ 22,362,405	$ 22,015,968	$ 21,496,703	$ 20,899,426
9,701,507	2,988,738	2,423,777	3,123,346	3,042,522	2,881,940
(10,069,837)	(5,418,097)	(4,321,066)	(1,424,467)	(1,890,190)	(4,314,283)
$ 22,843,256	$ 20,200,946	$ 20,465,116	$ 23,714,847	$ 22,649,035	$ 19,467,083

STATE OF OHIO

CHANGES IN NET POSITION
FOR THE LAST TEN FISCAL YEARS

(accrual basis of accounting)
(dollars in thousands)

	2015	2014	2013
EXPENSES:			
GOVERNMENTAL ACTIVITIES:			
Primary, Secondary and Other Education	$ 12,767,328	$ 12,287,325	$ 11,461,600
Higher Education Support	2,536,850	2,474,851	2,403,149
Public Assistance and Medicaid	28,265,942	25,283,157	21,624,298
Health and Human Services	1,576,185	1,579,156	3,504,235
Justice and Public Protection	3,210,965	3,385,337	3,136,239
Environmental Protection and Natural Resources	507,889	419,539	437,297
Transportation	2,660,362	2,706,248	2,657,961
General Government	921,426	835,785	921,636
Community and Economic Development	3,518,678	3,448,735	3,510,004
Interest on Long-Term Debt (excludes interest charged as program expense)	102,980	103,283	114,859
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	**56,068,605**	**52,523,416**	**49,771,278**
BUSINESS-TYPE ACTIVITIES:			
Workers' Compensation	2,533,883	2,417,674	3,428,859
Lottery Commission	2,724,306	2,310,169	2,100,887
Unemployment Compensation	1,034,060	1,444,870	1,976,518
Ohio Building Authority	—	—	—
Tuition Trust Authority	71,801	72,215	80,560
Liquor Control	—	—	310,209
Office of Auditor of State	70,032	70,586	65,845
TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES	**6,434,082**	**6,315,514**	**7,962,878**
TOTAL PRIMARY GOVERNMENT EXPENSES	**$ 62,502,687**	**$ 58,838,930**	**$ 57,734,156**
PROGRAM REVENUES:			
GOVERNMENTAL ACTIVITIES:			
Charges for Services, Fees, Fines and Forfeitures:			
Public Assistance and Medicaid	$ 1,438,860	$ 1,506,096	$ 1,152,467
Justice and Public Protection	1,071,484	1,030,928	1,078,277
General Government	480,796	548,649	418,085
Community and Economic Development	519,685	506,511	594,030
Other Activities	709,606	632,883	950,819
Operating Grants, Contributions and Restricted Investment Income/(Loss)	23,965,473	21,454,316	20,189,757
Capital Grants, Contributions and Restricted Investment Income/(Loss)	1,398,463	1,523,237	1,695,846
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	**29,584,367**	**27,202,620**	**26,079,281**
BUSINESS-TYPE ACTIVITIES:			
Charges for Services, Fees, Fines and Forfeitures:			
Workers' Compensation	1,962,587	2,093,962	1,504,112
Lottery Commission	3,776,450	3,288,039	2,939,773
Unemployment Compensation	1,228,403	1,270,232	1,342,217
Liquor Control	—	—	485,607
Other Activities	52,811	57,531	60,028
Operating Grants, Contributions and Restricted Investment Income/(Loss)	609,269	3,398,375	1,697,735
Capital Grants, Contributions and Restricted Investment Income/(Loss)	—	—	—
TOTAL BUSINESS-TYPE ACTIVITIES PROGRAM REVENUES	**7,629,520**	**10,108,139**	**8,029,472**
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	**$ 37,213,887**	**$ 37,310,759**	**$ 34,108,753**

2012	2011	2010	2009	2008	2007	2006
$ 12,340,848	$ 12,126,435	$ 12,259,233	$ 11,888,145	$ 11,304,014	$ 11,467,076	$ 11,157,283
2,348,154	2,726,016	2,771,611	2,967,485	2,729,423	2,546,530	2,608,007
21,206,515	20,111,691	18,828,082	17,903,102	16,003,345	15,782,074	14,909,149
3,835,369	4,295,483	4,003,033	4,061,765	3,651,313	3,538,858	3,526,763
3,202,970	3,184,345	3,077,704	3,251,316	3,128,087	3,102,172	3,111,577
407,379	350,870	416,071	413,398	393,704	435,235	406,632
2,564,702	2,186,332	2,187,406	2,171,475	2,078,732	1,998,166	1,925,841
599,639	795,899	623,845	645,271	749,150	887,109	955,241
3,867,888	4,479,010	4,491,643	4,265,827	4,017,838	3,789,404	3,618,550
118,902	134,888	133,335	165,908	173,934	169,776	175,732
50,492,366	**50,390,969**	**48,791,963**	**47,733,692**	**44,229,540**	**43,716,400**	**42,394,775**
1,945,190	2,354,296	2,861,222	2,158,753	2,675,254	2,760,313	2,011,480
2,001,671	1,911,105	1,816,213	1,774,308	1,704,848	1,696,881	1,625,309
2,754,835	4,094,207	5,605,830	3,485,942	1,333,180	1,175,682	1,161,776
13,010	22,076	22,492	26,837	28,117	28,188	25,797
80,157	79,671	81,119	94,888	121,673	91,416	67,162
543,729	507,800	489,087	479,919	460,398	444,119	423,373
69,183	69,185	70,637	85,575	73,225	74,487	71,729
7,407,775	**9,038,340**	**10,946,600**	**8,106,222**	**6,396,695**	**6,271,086**	**5,386,626**
$ 57,900,141	**$ 59,429,309**	**$ 59,738,563**	**$ 55,839,914**	**$ 50,626,235**	**$ 49,987,486**	**$ 47,781,401**
$ 1,289,463	$ 1,045,698	$ 1,302,439	$ 966,010	$ 1,021,341	$ 832,275	$ 639,821
943,142	1,163,286	996,420	938,297	879,534	929,689	912,421
543,699	344,451	686,825	594,532	697,274	458,424	477,565
406,022	504,275	479,727	388,895	362,388	338,337	288,490
852,501	722,459	652,449	763,620	582,208	545,050	494,550
20,053,479	22,041,874	20,839,257	18,225,838	15,123,489	14,964,123	14,336,582
1,573,765	1,465,484	1,241,422	1,198,200	1,070,309	1,286,426	1,288,100
25,662,071	**27,287,527**	**26,198,539**	**23,075,392**	**19,736,543**	**19,354,324**	**18,437,529**
1,958,593	1,950,169	2,133,439	2,378,127	2,160,649	4,288,636	2,118,571
2,781,737	2,608,235	2,498,785	2,425,832	2,332,866	2,267,134	2,227,386
1,674,456	1,587,385	1,304,308	1,172,554	1,174,979	1,112,423	1,163,397
791,454	733,573	706,736	689,283	663,830	639,664	606,905
73,707	74,657	76,158	81,291	83,545	78,925	78,965
3,568,089	5,002,792	5,403,777	1,028,750	877,474	1,339,862	882,961
—	—	—	—	—	—	—
10,848,036	**11,956,811**	**12,123,203**	**7,775,837**	**7,293,343**	**9,726,644**	**7,078,185**
$ 36,510,107	**$ 39,244,338**	**$ 38,321,742**	**$ 30,851,229**	**$ 27,029,886**	**$ 29,080,968**	**$ 25,515,714**

(continued)

STATE OF OHIO
CHANGES IN NET POSITION
FOR THE LAST TEN FISCAL YEARS
(accrual basis of accounting)
(dollars in thousands)
(continued)

	2015	2014	2013
NET (EXPENSE) REVENUE:			
Governmental Activities	$ (26,484,238)	$ (25,320,796)	$ (23,691,997)
Business-Type Activities	1,195,438	3,792,625	66,594
TOTAL PRIMARY GOVERNMENT NET (EXPENSE)	**$ (25,288,800)**	**$ (21,528,171)**	**$ (23,625,403)**
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:			
GOVERNMENTAL ACTIVITIES:			
TAXES:			
Income	$ 8,906,476	$ 8,356,216	$ 9,826,097
Sales	10,170,995	9,386,554	8,635,076
Corporate and Public Utility	2,687,540	2,682,274	2,560,420
Cigarette	808,270	813,056	828,812
Other	953,339	888,059	993,217
Restricted for Transportation Purposes:			
Motor Vehicle Fuel Taxes	1,827,134	1,782,437	1,774,781
TOTAL TAXES	**25,353,754**	**23,908,596**	**24,618,403**
Tobacco Settlement	284,267	362,472	336,255
Escheat Property	220,486	192,184	167,140
Unrestricted Investment Income	36,462	1,733	25,881
Federal	—	—	—
Other	275	839	239,435
Loss on Extinguishment of Debt	1,276	—	(154,607)
Transfers-Internal Activities	1,082,061	955,721	1,082,887
TOTAL GOVERNMENTAL ACTIVITIES	**26,978,581**	**25,421,545**	**26,315,394**
BUSINESS-TYPE ACTIVITIES:			
Unrestricted Investment Income	5	3	3
Federal	—	—	—
Other	—	11	—
Gain on Extinguishment of Debt	402,562	281,938	273,851
Transfers-Internal Activities	(1,082,061)	(955,721)	(1,082,887)
TOTAL BUSINESS-TYPE ACTIVITIES	**(679,494)**	**(673,769)**	**(809,033)**
TOTAL PRIMARY GOVERNMENT	**$ 26,299,087**	**$ 24,747,776**	**$ 25,506,361**
CHANGE IN NET POSITION:			
Governmental Activities	$ 494,343	$ 100,749	$ 2,623,397
Business-Type Activities	515,944	3,118,856	(742,439)
TOTAL PRIMARY GOVERNMENT	**$ 1,010,287**	**$ 3,219,605**	**$ 1,880,958**

Source:

Ohio Office of Budget and Management

Notes:

During fiscal year 2014, Ohio House Bill 59 line item restructuring resulted in increases to Public Assistance and Medicaid expenses and decreases to Health and Human Services expenses.

Ohio Building Authority ceased operations December 31, 2011.

On February 1, 2013, the State granted a 25-year franchise on its spirituous liquor system. Activity of the Liquor Control Enterprise Fund ceased as of January 31, 2013.

Balances have been restated for prior period adjustments, corrections, and reclassifications, when practical.

2012	2011	2010	2009	2008	2007	2006
$ (24,830,295)	$ (23,103,442)	$ (22,593,424)	$ (24,658,300)	$ (24,492,997)	$ (24,362,076)	$ (23,957,246)
3,440,261	2,918,471	1,176,603	(330,385)	896,648	3,455,558	1,691,559
$ (21,390,034)	**$ (20,184,971)**	**$ (21,416,821)**	**$ (24,988,685)**	**$ (23,596,349)**	**$ (20,906,518)**	**$ (22,265,687)**
$ 9,017,760	$ 8,815,468	$ 7,760,084	$ 8,228,349	$ 9,887,502	$ 9,630,983	$ 9,854,803
8,304,263	7,793,045	7,295,428	7,276,288	7,863,969	7,755,604	7,623,513
2,501,140	2,462,681	2,351,084	2,443,059	1,610,629	2,615,648	2,359,338
843,180	855,610	886,875	924,764	950,646	986,546	1,084,143
708,041	699,907	647,999	648,284	1,732,034	672,598	645,856
1,800,473	1,759,421	1,766,204	1,743,151	1,820,336	1,835,478	1,850,939
23,174,857	**22,386,132**	**20,707,674**	**21,263,895**	**23,865,116**	**23,496,857**	**23,418,592**
333,148	334,665	336,259	366,197	362,897	361,552	336,044
153,556	101,289	160,755	117,172	185,016	31,009	93,782
3,702	2,688	(52,677)	(8,765)	250,293	206,414	128,772
—	—	—	—	2	—	—
48,078	1,323	592	134	200	383	295
—	—	—	—	—	—	—
949,952	945,551	978,327	899,385	885,842	853,171	818,636
24,663,293	**23,771,648**	**22,130,930**	**22,638,018**	**25,549,366**	**24,949,386**	**24,796,121**
3	1,184	—	—	—	—	—
—	—	—	—	—	—	—
5	—	48	321	19	372	932
—	—	—	—	—	—	—
(949,952)	(945,551)	(978,327)	(899,385)	(885,842)	(853,171)	(818,636)
(949,944)	**(944,367)**	**(978,279)**	**(899,064)**	**(885,823)**	**(852,799)**	**(817,704)**
$ 23,713,349	**$ 22,827,281**	**$ 21,152,651**	**$ 21,738,954**	**$ 24,663,543**	**$ 24,096,587**	**$ 23,978,417**
$ (167,002)	$ 668,206	$ (462,494)	$ (2,020,282)	$ 1,056,369	$ 587,310	$ 838,875
2,490,317	1,974,104	198,324	(1,229,449)	10,825	2,602,759	873,855
$ 2,323,315	**$ 2,642,310**	**$ (264,170)**	**$ (3,249,731)**	**$ 1,067,194**	**$ 3,190,069**	**$ 1,712,730**

STATE OF OHIO

CHANGES IN FUND BALANCES FOR GOVERNMENTAL FUNDS FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(dollars in thousands)

	2015	2014	2013	2012	2011
REVENUES:					
Income Taxes	$ 8,906,259	$ 8,411,694	$ 9,811,982	$ 9,076,284	$ 8,785,047
Sales Taxes	10,170,995	9,386,554	8,643,468	8,304,705	7,791,128
Corporate and Public Utility Taxes	2,687,540	2,682,274	2,555,959	2,500,905	2,463,512
Motor Vehicle Fuel Taxes	1,827,134	1,782,437	1,774,781	1,800,473	1,759,421
Cigarette Taxes	808,270	813,056	828,812	843,180	855,610
Other Taxes	953,339	888,059	993,217	708,041	699,907
Licenses, Permits and Fees	3,000,470	3,058,221	3,207,414	3,002,172	2,796,122
Sales, Services and Charges	115,672	107,676	95,686	96,982	96,717
Federal Government	24,533,971	22,920,755	21,537,101	21,395,852	23,301,445
Tobacco Settlement	285,916	331,129	295,086	295,736	289,293
Escheat Property	220,486	208,508	175,284	151,601	124,026
Investment Income	62,431	21,356	38,255	30,121	44,207
Other	1,307,559	1,126,759	1,207,030	1,091,765	970,999
TOTAL REVENUES	54,880,042	51,738,478	51,164,075	49,297,817	49,977,434
EXPENDITURES:					
Current Operating:					
Primary, Secondary and Other Education	12,385,866	11,908,976	11,029,898	11,928,522	11,711,365
Higher Education Support	2,400,039	2,335,509	2,263,026	2,210,547	2,589,416
Public Assistance and Medicaid	28,632,189	25,302,660	21,660,378	21,211,351	20,207,348
Health and Human Services	1,519,151	1,586,232	3,369,506	3,723,084	4,166,075
Justice and Public Protection	3,195,731	3,091,789	3,062,006	3,073,862	3,004,953
Environmental Protection and Natural Resources	413,028	403,119	416,875	390,474	375,810
Transportation	2,835,705	2,647,937	2,637,989	2,510,742	2,369,967
General Government	782,777	794,985	821,512	525,706	527,377
Community and Economic Development	3,431,424	3,329,205	3,376,928	3,717,160	4,331,441
Capital Outlay	510,109	379,698	352,670	377,983	503,314
Debt service:					
Principal	1,229,971	1,177,305	1,813,180	702,345	693,006
Interest	729,002	732,849	72,103	805,399	775,491
TOTAL EXPENDITURES	58,064,992	53,690,264	50,876,071	51,177,175	51,255,563
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,184,950)	(1,951,786)	288,004	(1,879,358)	(1,278,129)

2010	2009	2008	2007	2006
$ 7,818,405	$ 8,404,218	$ 9,766,337	$ 9,700,901	$ 9,726,268
7,299,285	7,265,514	7,863,969	7,755,605	7,623,513
2,348,948	2,449,060	2,679,751	2,615,649	2,359,337
1,766,204	1,743,151	1,820,336	1,835,477	1,850,940
886,875	924,764	950,646	986,546	1,084,143
647,999	648,284	662,913	672,598	645,857
2,887,560	2,419,459	2,289,420	2,261,667	2,137,549
92,600	88,089	83,167	78,807	77,071
21,969,544	18,905,780	15,740,008	15,663,148	15,421,095
306,144	366,895	334,270	308,488	294,725
113,131	102,347	137,125	83,991	145,695
18,925	284,400	605,935	619,645	440,623
1,145,925	1,132,565	1,198,425	762,191	627,312
47,301,545	44,734,526	44,132,302	43,344,713	42,434,128
11,849,154	11,474,274	10,962,026	11,300,752	11,026,085
2,635,983	2,815,624	2,587,466	2,437,150	2,499,074
18,872,273	17,882,194	16,003,057	15,774,452	14,907,511
3,899,232	3,974,954	3,592,273	3,465,552	3,461,571
3,022,427	3,177,545	3,126,680	3,049,826	3,055,124
369,124	396,812	409,643	419,324	395,016
1,995,280	2,077,597	2,080,166	2,186,036	2,185,928
533,326	579,457	648,774	754,441	792,645
4,337,066	4,139,904	3,906,709	3,664,551	3,549,065
542,529	565,799	547,825	453,761	485,904
703,380	1,108,850	1,154,719	1,061,912	962,443
735,721	794,302	719,856	545,172	496,822
49,495,495	48,987,312	45,739,194	45,112,929	43,817,188
(2,193,950)	(4,252,786)	(1,606,892)	(1,768,216)	(1,383,060)

(continued)

STATE OF OHIO

CHANGES IN FUND BALANCES FOR GOVERNMENTAL FUNDS FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(dollars in thousands)
(continued)

	2015	2014	2013	2012	2011
OTHER FINANCING SOURCES (USES):					
Bonds, Notes and COPs Issued	$ 1,110,591	$ 1,347,005	$ 712,470	$ 1,357,640	$ 1,332,425
Refunding Bonds and COPs Issued	254,590	407,540	470,520	1,374,660	544,775
Payment to Refunded Bond and COPs Escrow Agents	(382,933)	(479,249)	(1,465,468)	(1,604,658)	(621,223)
Premiums	219,999	207,372	209,381	379,506	123,831
Discounts	—	—	—	—	—
Capital Leases	—	2,196	108	560	915
Transfers-in	3,673,216	3,426,036	4,448,253	2,803,070	3,030,096
Transfers-out	(2,591,155)	(2,470,315)	(3,365,366)	(1,853,118)	(2,084,545)
TOTAL OTHER FINANCING SOURCES (USES)	2,284,308	2,440,585	1,009,898	2,457,660	2,326,274
SPECIAL ITEMS	-	-	1,463,506	-	-
NET CHANGE IN FUND BALANCES	$ (900,642)	$ 488,799	$ 2,761,408	$ 578,302	$ 1,048,145
Debt Service as a Percentage of Noncapital Expenditures	3.4%	3.6%	3.7%	3.0%	2.9%
Additional Information:					
Increase (Decrease) for Changes in Inventories	$ 924	$ 14,593	$ (21,245)	$ 14,982	$ 126

Source:

Ohio Office of Budget and Management

Notes:

During fiscal year 2014, Ohio House Bill 59 line item restructuring resulted in increases to Public Assistance and Medicaid expenditures and decreases to Health and Human Services expenditures.

Revenues, expenditures, and other financing sources (uses) have been restated for prior period adjustments, corrections, and reclassifications, when practical.

2010	2009	2008	2007	2006
$ 1,008,029	$ 1,000,770	$ 6,214,699	$ 1,482,830	$ 1,524,269
1,154,210	506,480	—	259,205	156,240
(1,319,366)	(555,025)	—	(279,651)	(172,770)
162,697	74,345	24,139	87,878	71,475
—	(2,732)	(66,884)	—	—
708	600	1,533	18,942	4,959
3,497,705	3,470,851	3,663,030	3,548,419	3,319,821
(2,519,378)	(2,571,466)	(2,777,188)	(2,695,248)	(2,501,185)
1,984,605	1,923,823	7,059,329	2,422,375	2,402,809
-	-	-	-	-
$ (209,345)	$ (2,328,963)	$ 5,452,437	$ 654,159	$ 1,019,749
2.9%	3.9%	4.1%	3.6%	3.4%
$ (1,699)	$ 19,833	$ 24,571	$ (3,216)	$ 12,636

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STATE OF OHIO

FUND BALANCES OF GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(dollars in thousands)

	2015	2014	2013	2012	2011
GENERAL FUND:					
Nonspendable	$ 49,655	$ 69,787	$ 59,896	$ 86,982	$ 65,080
Restricted	1,153,828	1,462,971	1,126,686	1,027,885	1,078,652
Committed	803,551	773,730	751,615	824,607	671,210
Assigned	2,585,575	2,366,979	2,042,246	1,666,177	1,616,695
Unassigned	411,190	1,255,489	1,259,670	(415,658)	(1,208,029)
TOTAL GENERAL FUND	**5,003,799**	**5,928,956**	**5,240,113**	**3,189,993**	**2,223,608**
ALL OTHER GOVERNMENTAL FUNDS:					
Nonspendable, reported in:					
Special Revenue Funds	80,141	76,987	59,902	86,691	99,806
Restricted, reported in:					
Special Revenue Funds	2,197,584	2,460,777	2,671,751	2,039,390	2,091,135
Debt Service Funds	4,869,269	4,989,278	5,087,771	5,216,312	5,295,937
Capital Projects Funds	672,113	474,897	387,874	222,778	490,806
Committed, reported in:					
Special Revenue Funds	606,055	631,086	613,984	561,849	521,915
Unassigned, reported in:					
Special Revenue Funds	(306)	(163)	(395)	(547)	(25)
Capital Projects Funds	-	-	(5,388)	—	—
TOTAL ALL OTHER GOVERNMENTAL FUNDS	**8,424,856**	**8,632,862**	**8,815,499**	**8,126,473**	**8,499,574**
TOTAL GOVERNMENTAL FUNDS	**$ 13,428,655**	**$ 14,561,818**	**$ 14,055,612**	**$ 11,316,466**	**$ 10,723,182**

	2010	2009	2008	2007	2006
GENERAL FUND:					
Reserved	$ 634,254	$ 560,762	$ 744,371	$ 687,131	$ 617,733
Unreserved	(141,212)	213,054	1,857,001	1,568,395	1,291,950
TOTAL GENERAL FUND	**493,042**	**773,816**	**2,601,372**	**2,255,526**	**1,909,683**
ALL OTHER GOVERNMENTAL FUNDS:					
Reserved	12,975,477	11,549,682	11,237,699	5,391,969	6,371,192
Unreserved, reported in:					
Special Revenue Funds	(3,599,509)	(2,289,388)	(1,387,802)	(688,422)	(2,048,150)
Debt Service Funds	—	—	140	(20)	—
Capital Projects Funds	(194,099)	(148,155)	(256,324)	(240,976)	(165,591)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	**9,181,869**	**9,112,139**	**9,593,713**	**4,462,551**	**4,157,451**
TOTAL GOVERNMENTAL FUNDS	**$ 9,674,911**	**$ 9,885,955**	**$ 12,195,085**	**$ 6,718,077**	**$ 6,067,134**

Source:
Ohio Office of Budget and Management

Notes:

As a result of implementing GASB Statement 54: *Fund Balance Reporting and Governmental Fund Type Definitions* , fund balances have been classified in new categories beginning in fiscal year 2011.

When practical, fund balances reported on the above table have been restated for prior period adjustments, corrections, and reclassifications; however, restatements do not include changes in reporting entity. For comparative purposes, however, the effects of such adjustments and corrections on the revenue and expenditure activity reported for the applicable fiscal years on the "Changes in Fund Balances for Governmental Funds" table and the "Condensed Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund" table may not have been determined for presentation on each of the two respective tables.

STATE OF OHIO

CONDENSED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE GENERAL FUND FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(dollars in thousands)

	2015	2014	2013	2012	2011
REVENUES:					
Income Taxes	$ 8,895,192	$ 8,398,840	$ 9,798,658	$ 9,063,827	$ 8,771,965
Sales Taxes	10,166,332	9,380,762	8,637,501	8,297,544	7,785,452
Corporate and Public Utility Taxes	2,597,993	2,680,923	2,554,965	2,499,601	2,462,363
Motor Vehicle Fuel Tax	1,114,542	1,091,123	1,087,748	1,104,127	1,070,014
Cigarette Taxes	808,270	813,056	828,812	843,180	855,610
Other Taxes	648,099	661,870	747,882	670,831	682,637
Licenses, Permits and Fees	734,839	722,403	816,564	781,717	657,629
Sales, Services and Charges	76,208	68,918	59,839	64,025	63,323
Federal Government	8,942,561	8,313,226	7,225,992	7,131,978	8,122,729
Tobacco Settlement	94	38,620	-	-	-
Escheat Property	220,486	208,508	175,284	151,601	124,026
Investment Income	47,438	8,662	26,454	19,654	20,997
Other	244,296	246,632	283,339	300,150	297,932
TOTAL REVENUES	**34,496,350**	**32,633,543**	**32,243,038**	**30,928,235**	**30,914,677**
EXPENDITURES:					
Current Operating	33,941,965	30,970,485	29,451,874	29,972,837	29,837,914
Capital Outlay	-	734	42	-	-
Debt Service	-	-	-	-	-
TOTAL EXPENDITURES	**33,941,965**	**30,971,219**	**29,451,916**	**29,972,837**	**29,837,914**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**554,385**	**1,662,324**	**2,791,122**	**955,398**	**1,076,763**
OTHER FINANCING SOURCES (USES):					
Bonds, Notes and COPs Issued	460,000	800,000	178,000	1,109,228	624,890
Premiums	48,536	28,310	7,911	60,983	1,200
Capital Leases	-	2,196	108	560	915
Transfers-in	321,156	221,697	545,356	314,048	477,418
Transfers-out	(2,072,234)	(2,026,789)	(2,928,231)	(1,472,254)	(1,574,293)
TOTAL OTHER FINANCING SOURCES (USES)	**(1,242,542)**	**(974,586)**	**(2,196,856)**	**12,565**	**(469,870)**
SPECIAL ITEMS	**-**	**-**	**1,463,506**	**-**	**-**
NET CHANGE IN FUND BALANCES	**(688,157)**	**687,738**	**2,057,772**	**967,963**	**606,893**
FUND BALANCES, JULY 1 (as restated)	5,695,511	5,240,486	3,188,956	2,223,608	1,612,899
Increase (Decrease) for Changes in Inventories	(3,555)	732	(6,615)	(1,578)	3,816
FUND BALANCES, JUNE 30	**$ 5,003,799**	**$ 5,928,956**	**$ 5,240,113**	**$ 3,189,993**	**$ 2,223,608**

Source:
Ohio Office of Budget and Management

Notes:

As a result of implementing GASB Statement 54: *Fund Balance Reporting and Governmental Fund Type Definitions,* the General Fund is reporting balances and activities previously reported within special revenue funds beginning in fiscal year 2011.

The July 1 fund balances, revenues, and expenditures have been restated for prior period adjustments, corrections, and reclassifications, when practical.

2010	2009	2008	2007	2006
$ 7,172,356	$ 7,705,081	$ 8,955,642	$ 8,863,302	$ 8,889,463
7,108,573	7,062,149	7,556,034	7,432,423	7,302,441
549,596	814,415	1,198,202	1,583,791	1,774,113
-	-	-	-	-
886,875	924,764	950,644	986,546	1,084,142
589,121	587,806	601,557	612,304	584,689
237,690	435,849	328,260	288,648	209,054
51,811	51,653	51,351	48,876	46,067
6,753,767	6,848,974	5,626,381	5,362,256	5,526,049
-	-	1,135	-	-
113,131	102,347	137,125	83,991	145,695
(12,331)	170,371	395,408	416,563	305,425
498,261	455,254	582,672	252,599	177,066
23,948,850	**25,158,663**	**26,384,411**	**25,931,299**	**26,044,204**
23,719,349	26,290,239	25,122,530	25,129,616	25,215,213
-	67	10	114	204
-	-	-	14,575	536
23,719,349	**26,290,306**	**25,122,540**	**25,144,305**	**25,215,953**
229,501	**(1,131,643)**	**1,261,871**	**786,994**	**828,251**
97,739	30,000	7,998	525,000	629,392
3,560	500	-	-	921
708	600	1,533	9,999	4,959
373,807	446,576	496,538	346,399	365,326
(990,195)	(1,173,439)	(1,424,672)	(1,322,012)	(1,201,618)
(514,381)	**(695,763)**	**(918,603)**	**(440,614)**	**(201,020)**
-	**-**	**-**	**-**	**-**
(284,880)	**(1,827,406)**	**343,268**	**346,380**	**627,231**
773,816	2,601,372	2,255,526	1,909,683	1,276,815
4,106	(150)	2,578	(537)	5,637
$ 493,042	**$ 773,816**	**$ 2,601,372**	**$ 2,255,526**	**$ 1,909,683**

STATE OF OHIO

TAX REVENUES OF GOVERNMENTAL FUNDS BY MAJOR SOURCE AND EFFECTIVE STATE INCOME TAX RATE FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(dollars in millions)

INCOME TAX	2015	2014	2013	2012	2011
Personal Income Tax Revenue.....	$8,906	$8,412	$9,812	$9,076	$8,785
Personal Income(A).....	$489,695	$472,846	$462,424	$436,818	$417,376
Average Effective State Income Tax Rate.....	1.82%	1.78%	2.12%	2.08%	2.10%

SALES TAX	2015	2014	2013	2012	2011
State Sales Tax Revenue.....	$10,171	$9,387	$8,643	$8,305	$7,791

Sources:

U.S. Department of Commerce, Bureau of Economic Analysis
Ohio Office of Budget and Management

Note:

(A)-Data presented is as of December 31 of the given fiscal year.

2010	2009	2008	2007	2006
$7,818	$8,404	$9,766	$9,701	$9,726
$408,395	$407,874	$395,710	$381,260	$365,319
1.91%	2.06%	2.48%	2.54%	2.66%

2010	2009	2008	2007	2006
$7,299	$7,266	$7,864	$ 7,756	$ 7,624

STATE OF OHIO

PERSONAL INCOME BY INDUSTRY, EFFECTIVE TAX RATE, EXEMPTIONS, AND INCOME TAX RATES FOR THE LAST TEN CALENDAR YEARS

STATE INCOME TAX BY INDUSTRY

(dollars in millions)	2014	2013	2012	2011	2010
Services	$ 142,532	$ 137,541	$ 132,344	$ 123,939	$ 118,820
Manufacturing	52,490	50,541	50,024	48,612	47,291
Government	54,715	53,485	53,886	49,969	49,452
Wholesale and Retail Trade	40,997	39,565	38,687	37,048	35,684
Finance, Insurance, and Real Estate	28,766	27,397	25,873	24,116	22,307
Construction	18,837	17,523	16,341	15,473	14,244
Transportation and Public Utilities	15,129	15,207	14,837	13,813	13,229
Other	136,229	131,587	130,432	123,848	116,349
Total Personal Income	$ 489,695	$ 472,846	$ 462,424	$ 436,818	$ 417,376
Average Effective State Income Tax Rate	1.82%	1.78%	2.12%	2.08%	2.10%

EXEMPTIONS BY CALENDAR YEAR

Exemptions	2014	2013	2012	2011	2010
Personal/Dependent Exemption (B):					
$0-$40,000	2,200	1,700	1,700	1,650	1,600
$40,001-80,000	1,950	1,700	1,700	1,650	1,600
$80,001 and above	1,700	1,700	1,700	1,650	1,600
Exemption Credit per Taxpayer, Spouse, and Dependent(A)	20	20	20	20	20

Sources:

U.S. Department of Commerce, Bureau of Economic Analysis

Ohio Office of Budget and Management

Ohio Department of Taxation

(A) Beginning on or after January 1, 2013, the $20 personal and dependent exemption credit is only available to taxpayers with Ohio taxable income of less than $30,000.

(B) Beginning with the 2014 tax return, HB 483 implemented a change to the exemption amount to be claimed.

2009	2008	2007	2006	2005
$ 115,300	$ 112,598	$ 107,901	$ 102,092	$ 97,988
43,948	54,155	55,365	55,876	55,000
49,779	47,866	45,811	44,563	43,648
35,015	36,065	35,563	34,343	34,049
21,526	22,440	22,906	22,522	22,251
14,279	14,742	15,499	15,790	15,459
13,558	14,056	13,655	13,420	12,055
114,990	105,952	99,010	92,654	84,869
$ 408,395	$ 407,874	$ 395,710	$ 381,260	$ 365,319
1.91%	2.06%	2.48%	2.54%	2.66%

2009	2008	2007	2006	2005
1,550	1,500	1,450	1,400	1,350
1,550	1,500	1,450	1,400	1,350
1,550	1,500	1,450	1,400	1,350
20	20	20	20	20

(continued)

STATE OF OHIO

PERSONAL INCOME BY INDUSTRY, EFFECTIVE TAX RATE, EXEMPTIONS, AND INCOME TAX RATES FOR THE LAST TEN CALENDAR YEARS

(continued)

INCREMENTAL TAX RATES BY CALENDAR YEAR

Ohio Income Tax Brackets (A)	2014	2013	2012	2011
Tax Bracket 1	0.528%	0.537%	0.587%	0.587%
Tax Bracket 2	1.057%	1.074%	1.174%	1.174%
Tax Bracket 3	2.113%	2.148%	2.348%	2.348%
Tax Bracket 4	2.642%	2.686%	2.935%	2.935%
Tax Bracket 5	3.169%	3.222%	3.521%	3.521%
Tax Bracket 6	3.698%	3.760%	4.109%	4.109%
Tax Bracket 7	4.226%	4.296%	4.695%	4.695%
Tax Bracket 8	4.906%	4.988%	5.451%	5.451%
Tax Bracket 9	5.333%	5.421%	5.925%	5.925%

TAX BRACKETS BY CALENDAR YEAR

Ohio Income Tax Brackets (A)	2014	2013	2012	2011
Tax Bracket 1	$0- $5,200	$0- $5,200	$0- $5,200	$0- $5,100
Tax Bracket 2	5,200- 10,400	5,200- 10,400	5,200- 10,400	5,101- 10,200
Tax Bracket 3	10,400- 15,650	10,400- 15,650	10,400- 15,650	10,201- 15,350
Tax Bracket 4	15,650- 20,900	15,650- 20,900	15,650- 20,900	15,351- 20,450
Tax Bracket 5	20,900- 41,700	20,900- 41,700	20,900- 41,700	20,451- 40,850
Tax Bracket 6	41,700- 83,350	41,700- 83,350	41,700- 83,350	40,851- 81,650
Tax Bracket 7	83,350- 104,250	83,350- 104,250	83,350- 104,250	81,651- 102,100
Tax Bracket 8	104,250- 208,500	104,250- 208,500	104,250- 208,500	102,101- 204,200
Tax Bracket 9	208,500 & above	208,500 & above	208,500 & above	204,200 & above

Note:

(A) - Beginning in 2010, O.R.C. 5747.02 (A) directed that the Tax Commission will adjust the income brackets for inflation.

2010	2009	2008	2007	2006	2005
0.618%	0.618%	0.618%	0.649%	0.681%	0.712%
1.236%	1.236%	1.236%	1.299%	1.361%	1.424%
2.473%	2.473%	2.473%	2.598%	2.722%	2.847%
3.091%	3.091%	3.091%	3.247%	3.403%	3.559%
3.708%	3.708%	3.708%	3.895%	4.083%	4.270%
4.327%	4.327%	4.327%	4.546%	4.764%	4.983%
4.945%	4.945%	4.945%	5.194%	5.444%	5.693%
5.741%	5.741%	5.741%	6.031%	6.320%	6.610%
6.240%	6.240%	6.240%	6.555%	6.870%	7.185%

2010	2009-2005
$0- $5,050	$0 - $5,000
5,050- 10,100	5,001 - 10,000
10,100- 15,150	10,001 - 15,000
15,150- 20,200	15,001 - 20,000
20,200- 40,350	20,001 - 40,000
40,350- 80,700	40,001 - 80,000
80,700- 100,900	80,001 - 100,000
100,900- 201,800	100,001 - 200,000
201,800 & above	200,001 & above

STATE OF OHIO

STATE INDIVIDUAL INCOME TAX RETURNS AND LIABILITY BY INCOME LEVEL FOR TAX YEAR 2013 WITH COMPARATIVES FOR TAX YEAR 2004 (NINE YEARS PRIOR)

2013 TAX YEAR (most recent information available)

Income Level	Federal Adjusted Gross Income (in thousands)	Ohio Tax Returns Number	Ohio Tax Returns Percentage of Total Returns
$200,001 & Above	$138,153,763	155,891	2.87%
$100,001-$200,000	63,068,742	436,488	8.05%
$80,001-$100,000	30,574,124	309,934	5.71%
$40,001-$80,000	81,038,130	1,245,057	22.96%
$20,001-$40,000	44,839,840	1,255,697	23.15%
$15,001-$20,000	9,175,094	404,760	7.46%
$10,001-$15,000	7,568,814	440,216	8.12%
$5,001-$10,000	5,732,705	481,427	8.88%
$5,000 & Under	4,208,428	693,913	12.79%
	$384,359,640	5,423,383	100.00%

2004 TAX YEAR

Income Level	Federal Adjusted Gross Income (in thousands)	Ohio Tax Returns Number	Ohio Tax Returns Percentage of Total Returns
$200,001 & Above	$89,482,522	102,916	1.94%
$100,001-$200,000	40,876,518	313,529	5.91%
$80,001-$100,000	26,109,351	293,684	5.54%
$40,001-$80,000	77,297,089	1,363,078	25.70%
$20,001-$40,000	41,757,388	1,422,143	26.82%
$15,001-$20,000	7,599,815	434,644	8.20%
$10,001-$15,000	5,559,572	445,059	8.39%
$5,001-$10,000	3,499,452	468,928	8.84%
$5,000 & Under	1,267,923	458,881	8.65%
	$293,449,630	5,302,862	100.00%

Source:

Ohio Department of Taxation

Note:

(A) The effective tax rate is calculated by dividing Ohio income tax receipts by federal adjusted gross income.

Ohio Income Tax Liability		
Tax Receipts (in thousands)	Percentage of Total Taxes	Effective Tax Rate (A)
$2,959,636	37.10%	2.14%
2,064,464	25.89%	3.27%
817,890	10.25%	2.68%
1,619,644	20.30%	2.00%
467,492	5.86%	1.04%
35,474	0.44%	0.39%
11,602	0.15%	0.15%
169	0.00%	0.00%
851	0.01%	0.02%
$7,977,222	100.00%	2.08%

Ohio Income Tax Liability		
Tax Receipts (in thousands)	Percentage of Total Taxes	Effective Tax Rate (A)
$2,759,540	31.33%	3.08%
1,739,447	19.75%	4.26%
953,310	10.82%	3.65%
2,345,712	26.63%	3.03%
885,220	10.05%	2.12%
80,369	0.91%	1.06%
33,381	0.38%	0.60%
10,095	0.11%	0.29%
361	0.00%	0.03%
$8,807,435	100.00%	3.00%

STATE OF OHIO

SALES TAX REVENUE BY TYPE, TAX REVENUES OF GOVERNMENTAL FUNDS FOR THE LAST TEN FISCAL YEARS

(cash basis of accounting)
(dollars in thousands)

	2015	2014	2013	2012
Vendors' Sales	$ 8,816,637	$ 8,132,482	$ 7,485,702	$ 7,190,870
Motor Vehicles and Watercraft	1,332,239	1,224,236	1,110,055	1,066,141
Alcoholic Beverages	50,285	46,087	41,683	38,814
Delinquencies and Assessments	60,793	62,726	63,708	74,956
Permissive Taxes:				
County Levies	19,221	17,163	16,046	14,970
Transit Authorities	4,474	4,180	4,008	3,845
Total Sales Tax Revenue	$ 10,283,649	$ 9,486,874	$ 8,721,202	$ 8,389,596
Base State Sales Tax Rates	5.75%	5.75%	5.75%	5.50%

Source:

Ohio Department of Taxation
Ohio Office of Budget and Management

2011	2010	2009	2008	2007	2006
$ 6,752,244	$ 6,349,058	$ 6,430,446	$ 6,794,114	$ 6,677,060	$ 6,621,450
988,447	894,332	885,234	975,833	978,029	994,121
36,218	35,051	33,676	31,435	29,132	27,118
63,582	62,046	52,204	64,293	46,366	30,354
14,249	13,644	13,763	14,250	13,921	13,044
3,635	3,383	3,436	3,088	2,940	2,929
$ 7,858,375	$ 7,357,514	$ 7,418,759	$ 7,883,013	$ 7,747,448	$ 7,689,016
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%

STATE OF OHIO

WORKERS' COMPENSATION ENTERPRISE FUND
ACTIVE EMPLOYERS, PREMIUM AND ASSESSMENT INCOME
AND ACTUAL AVERAGE COLLECTED PREMIUM RATE
FOR THE LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011
Active Employers by Type					
Private	247,829	249,602	249,085	249,668	250,432
Public (Local)	3,807	3,815	3,794	3,801	3,802
Public (State)	121	121	129	122	125
Self-Insured	1,180	1,197	1,205	1,196	1,203
Black Lung	34	36	36	35	39
Marine Fund	135	146	139	132	120
Total	253,106	254,917	254,388	254,954	255,721
Premium & Assessment Income *(dollars in thousands)*					
Premium & Assessment Income	$ 1,993,706	$ 2,142,549	$ 1,533,153	$ 1,992,018	$ 1,983,255
Provision for Uncollectibles	(39,532)	(56,728)	(40,764)	(47,540)	(48,075)
Total Premium & Assessment Income	$ 1,954,174	$ 2,085,821	$ 1,492,389	$ 1,944,478	$ 1,935,180
Average Published Rate per $100 of Payroll:					
Private Employers	$1.17	$1.30	$1.43	$1.43	$1.49
Public Employers-Taxing Districts	1.12	1.23	1.24	1.31	1.38

Sources:
Ohio Bureau of Workers' Compensation Year-End Statistics Report
Ohio Bureau of Workers' Compensation Actuarial Report

Note:

In June 2007, House Bill 100 passed granting BWC the authority to assess employers in future periods for amounts needed to fund the Disabled Worker's Relief Fund. The net impact of this change was a $1.9 billion increase in assessment income during fiscal year 2007.

2010	2009	2008	2007	2006
251,009	257,012	264,870	270,499	283,038
3,790	3,791	3,810	3,783	3,771
124	124	125	126	126
1,202	1,188	1,174	1,139	1,136
37	38	39	37	36
106	98	92	95	91
256,268	262,251	270,110	275,679	288,198
$ 2,148,280	$ 2,469,550	$ 2,235,092	$ 4,329,362	$ 2,173,327
(29,859)	(108,620)	(96,690)	(58,429)	(70,038)
$ 2,118,421	$ 2,360,930	$ 2,138,402	$ 4,270,933	$ 2,103,289
$1.49	$1.55	$1.76	$1.85	$1.85
1.46	1.76	1.85	1.84	1.87

STATE OF OHIO

LOTTERY COMMISSION ENTERPRISE FUND
TICKET SALES BY MAJOR GAME TYPE
FOR THE LAST TEN FISCAL YEARS

(dollars in millions)

	2015	2014	2013	2012	2011
Online Games:					
Pick 3	$ 338.0	$ 339.0	$ 345.2	$ 357.4	$ 364.4
Pick 4	192.8	185.8	189.8	207.9	209.0
Pick 5 (H)	33.3	27.9	28.0	-	-
Rolling Cash 5	62.6	63.4	61.5	63.8	62.4
Super Lotto/Classic Lotto(A)	-	-	-	-	-
Classic Lotto(A)	31.0	54.1	41.5	42.3	42.7
Raffle(B)	7.0	1.0	9.1	10.0	10.0
Kicker(G)	4.7	6.0	5.1	0.9	10.3
Mega Millions/Megaplier(G)	113.3	133.4	102.8	179.3	165.0
EZPLAY(C)	99.8	84.8	68.0	46.5	30.9
Ten-OH!(D)(H)	-	-	0.8	8.3	9.2
Keno(E)	329.5	298.1	251.5	209.8	157.9
Power Ball/Power Play(F)	105.0	122.8	166.6	105.3	76.4
EZPLAY TAP(I)	24.0	-	-	-	-
Total Online Games	1,341.0	1,316.3	1,269.9	1,231.5	1,138.2
Instant Games	1,551.0	1,426.8	1,428.0	1,507.5	1,462.8
Total Ticket Sales	$ 2,892.0	$ 2,743.1	$ 2,697.9	$ 2,739.0	$ 2,601.0

Source:

Ohio Lottery Commission

Notes:

(A) - In January 2007, the Classic Lotto game replaced the Super Lotto game.

(B) - Raffle to Riches was a new game started in 2007.

(C) - In April 2008, the new EZ Play game was introduced.

(D) - In August 2007, the game Ten-OH! was introduced.

(E) - In 2009, the Keno game was introduced.

(F) - In fiscal year 2010, the Power Ball / Power Play was introduced.

(G) - In fiscal year 2011, the Kicker was retired and the Megaplier was added. Kicker was reintroduced in 2012 as an add-on to Classic Lotto.

(H) - August 2012, the Ten-Oh game was replaced by Pick 5.

(I) - In fiscal year 2015, the EZPLAY TAP game was introduced.

2010	2009	2008	2007	2006
$ 366.7	$ 382.5	$ 387.1	$ 370.9	$ 377.3
201.3	205.9	198.8	183.0	175.7
-	-	-	-	-
67.1	67.2	70.5	72.9	72.6
-	-	-	21.8	76.3
42.8	43.9	41.2	21.8	-
9.1	9.3	10.0	17.8	-
24.1	21.4	21.4	21.3	21.6
215.8	193.0	201.0	196.1	223.4
30.4	34.3	12.3	-	-
9.7	11.0	18.0	-	-
120.6	99.8	-	-	-
23.6	-	-	-	-
-	-	-	-	-
1,111.2	1,068.3	960.3	905.6	946.9
1,379.0	1,349.4	1,364.8	1,353.8	1,274.0
$ 2,490.2	$ 2,417.7	$ 2,325.1	$ 2,259.4	$ 2,220.9

STATE OF OHIO
RATIOS OF OUTSTANDING DEBT BY TYPE
FOR THE LAST TEN FISCAL YEARS

(dollars in thousands)

	Governmental Activities				
As of June 30,	General Obligation Bonds	Revenue Bonds and Notes	Special Obligation Bonds	Certificates of Participation	Capital Leases
2015	$ 9,149,055	$ 6,409,774	$ 1,906,844	$ 231,837	$ 2,072
2014	9,366,348	6,355,222	1,836,136	173,603	3,055
2013	8,812,499	6,486,884	1,925,252	198,266	2,294
2012	8,888,085	7,129,786	2,090,889	156,664	4,199
2011	7,872,276	7,156,025	2,260,853	179,935	6,530
2010	7,343,289	6,891,331	2,338,094	200,428	8,624
2009	7,138,051	6,646,593	2,427,556	216,537	9,929
2008	7,310,376	6,413,182	2,585,319	187,336	9,804
2007	7,583,266	811,910	2,966,105	122,182	18,737
2006	6,893,521	720,675	3,317,325	90,389	3,366

Sources:

U.S. Department of Commerce, Bureau of Economic Analysis

Ohio Office of Budget and Management

Note:

Balances have been restated for prior period adjustments, corrections, and reclassifications, when practical.

(dollars in thousands)

Business-Type Activities					
Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita	
$ -	$ 13,094	$ 17,712,676	3.62%	1,528	
-	15,357	17,749,721	3.75%	1,534	
15,422	33,009	17,473,626	3.78%	1,514	
31,633	45,289	18,346,545	4.21%	1,589	
47,889	58,007	17,581,515	4.21%	1,524	
64,200	66,757	16,912,723	4.12%	1,465	
80,657	3	16,519,326	4.05%	1,438	
97,286	12	16,603,315	4.20%	1,448	
115,740	22	11,617,962	3.05%	1,012	
135,215	12	11,160,503	3.06%	974	

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STATE OF OHIO

RATIOS OF GENERAL AND SPECIAL OBLIGATION BONDED DEBT OUTSTANDING FOR THE LAST TEN FISCAL YEARS

As of June 30,	Bonded Debt *(dollars in thousands)* General Obligation Bonds	Special Obligation Bonds	Less Amount Restricted for Bond Repayment	Net Bonded Debt	Percentage of Personal Income	Per Capita Net Bonded Debt
2015	$9,149,055	$1,906,844	$656	$11,055,243	2.26%	954
2014	9,366,348	1,836,136	13,556	11,188,928	2.37%	967
2013	8,812,499	1,925,252	4,856	10,732,895	2.32%	930
2012	8,888,085	2,090,889	34,923	10,944,051	2.51%	948
2011	7,872,276	2,260,853	16,857	10,116,272	2.42%	877
2010	7,343,289	2,338,094	1,124	9,680,259	2.36%	839
2009	7,138,051	2,427,556	931	9,564,676	2.35%	833
2008	7,310,376	2,585,319	8,954	9,886,741	2.50%	862
2007	7,583,266	2,966,105	11,680	10,537,691	2.76%	918
2006	6,893,521	3,317,325	10,994	10,199,852	2.79%	890

Sources:

U.S. Department of Commerce, Bureau of Economic Analysis

Ohio Office of Budget and Management

Note:

This table includes general and special obligation bonds for which debt service payments have been made from the following combining funds in the Debt Service and Capital Projects Funds. Balances have been restated for prior period adjustments, corrections, and reclassifications, when practical.

Debt Service Fund:

Coal Research/Development General Obligations
Local Infrastructure Improvements General Obligations
State Projects General Obligations
Highway Capital Improvements General Obligations
Higher Education Capital Facilities General Obligations
Common Schools Capital Facilities General Obligations
Conservation Projects General Obligations
Third Frontier Research/Development General Obligations
Persian Gulf Conflict Compensation General Obligation
Job Ready Site Development General Obligations
School Building Program Special Obligation
Lease Rental Special Obligations*

Capital Projects Fund:

Mental Health/Developmental Disabilities Facilities Improvements
Parks and Recreation Improvements
Adult Correctional Building Improvements
Administrative Service Building Improvements
Youth Services Building Improvements
Ohio Parks and Natural Resources
Transportation Building Improvements

* - As of fiscal year 2012, Lease Rental Special Obligations encompasses Chapter 154 Special Obligations, Higher Education Facilities Special Obligations, Mental Health Facilities Special Obligations, Parks and Recreation Facilities Special Obligations, and Ohio Building Authority Special Obligations.

STATE OF OHIO

ANNUAL LIMITATION ON DEBT SERVICE EXPENDITURES (BUDGETARY BASIS) FOR THE LAST TEN FISCAL YEARS

(dollars in thousands)

	2015(A)	2014(A)	2013(A)	2012(A)
Debt Service Expenditures.....	$ 1,278,259	$ 1,237,701	$ 1,204,776	$ 692,776
General Revenue Fund (GRF) Revenues and Transfers from the Lottery Enterprise Fund.....	$ 32,463,100	$ 30,137,140	$ 30,362,815	$ 27,956,513
Calculation of Annual 5% Debt Service Cap.....	$ 1,623,155	$ 1,506,857	$ 1,518,141	$ 1,397,826
Amount Under the Debt Service Expenditure Cap.....	$ 344,896	$ 269,156	$ 313,365	$ 705,050
Ratio of Debt Service Expenditures to Total GRF Revenues and Lottery Transfers.....	3.94%	4.11%	3.97%	2.48%

Limitations on Debt

A 1999 amendment to the Ohio Constitution provides an annual debt service "cap" on general obligation bonds and other direct obligations payable from the General Revenue Fund (GRF) or net state lottery proceeds. Generally, such bonds may not be issued if the future fiscal year debt service on the new bonds and previously issued bonds exceeds five percent of total estimated GRF revenues plus net state lottery proceeds during the fiscal year of issuance. Application of the cap may be waived in a particular instance by a three-fifths vote of each house of the General Assembly and may be changed by future constitutional amendments. Direct obligations of the State include, for example, special obligation bonds issued by the Ohio Building Authority and the Treasurer of State that are paid from GRF appropriations, but exclude bonds such as highway bonds that are paid from highway user receipts.

Source:

Ohio Office of Budget and Management

Note:

(A) Debt Service Expenditures reflect the restructuring of net debt service payments into later fiscal years.

2011(A)	2010(A)	2009(A)	2008	2007	2006
$ 755,023	$ 710,284	$ 1,075,938	$ 1,231,640	$ 1,216,382	$ 1,128,592
$ 26,777,100	$ 24,108,466	$ 27,386,792	$ 27,331,442	$ 26,447,719	$ 26,492,278
$ 1,338,855	$ 1,205,423	$ 1,369,340	$ 1,366,572	$ 1,322,386	$ 1,324,614
$ 583,832	$ 495,139	$ 293,402	$ 134,932	$ 106,004	$ 196,022
2.82%	2.95%	3.93%	4.51%	4.60%	4.26%

STATE OF OHIO
REVENUE BOND AND NOTE COVERAGE
FOR THE LAST TEN FISCAL YEARS
(dollars in thousands)

Buckeye Tobacco Settlement Financing Authority Revenue Bonds

	Buckeye Tobacco Settlement Financing Authority Revenue Bonds Fund			Debt Service Requirements			
Fiscal Year	Gross Revenues (A)	Direct Operating Expenses Exclusive of Depreciation	Net Revenue Available For Debt Service	Principal	Interest	Total	Coverage
2015	$286,914	N/A	$286,914	$26,640	$295,691	$322,331	0.89
2014	293,573	N/A	293,573	23,995	296,892	320,887	0.91
2013	296,261	N/A	296,261	12,320	285,700	298,020	0.99
2012	295,259	N/A	295,259	20,295	274,874	295,169	1.00
2011	291,908	N/A	291,908	23,760	275,967	299,727	0.97
2010	305,096	N/A	305,096	28,695	277,323	306,018	1.00
2009	374,674	N/A	374,674	98,585	282,012	380,597	0.98
2008	348,028	N/A	348,028	33,285	167,255	200,540	1.74

Infrastructure Bank Revenue Bonds
Issuer: Treasurer of State

	Highway Operating Fund			Debt Service Requirements			
Fiscal Year	Gross Revenues (B)	Direct Operating Expenses	Net Revenue Available For Debt Service	Principal	Interest	Total	Coverage
2015	$170,368	N/A	$170,368	$200,801	$38,699	$239,500	0.71
2014	167,653	N/A	167,653	136,415	41,511	177,926	0.94
2013	160,339	N/A	160,339	123,685	44,357	168,042	0.95
2012	152,561	N/A	152,561	123,235	50,338	173,573	0.88
2011	147,045	N/A	147,045	114,095	40,395	154,490	0.95
2010	145,094	N/A	145,094	111,080	36,632	147,712	0.98
2009	150,609	N/A	150,609	123,240	34,716	157,956	0.95
2008	119,077	N/A	119,077	104,960	23,092	128,052	0.93
2007	92,167	N/A	92,167	80,520	18,876	99,396	0.93
2006	73,373	N/A	73,373	60,840	13,628	74,468	0.99

(continued)

Notes:

(A) The Buckeye Tobacco Settlement Financing Authority revenue bonds were first issued in fiscal year 2008. Gross revenues consist of tobacco settlement receipts (TSRs) and investment income.

(B) The gross revenue for Infrastructure Bank Revenue Bonds includes GARVEE receipts, which stands for Grant Anticipation Revenue Vehicles, and other revenue. GARVEE receipts are capital market borrowings repaid by federal transportation funds deposited in the State's Highway Operating Fund.

STATE OF OHIO
REVENUE BOND AND NOTE COVERAGE
FOR THE LAST TEN FISCAL YEARS
(dollars in thousands)
(continued)

Economic Development and Revitalization Project Revenue Bonds and Notes
Issuer: Treasurer of State

	Liquor Control Enterprise Fund			Debt Service Requirements			
Fiscal Year	Gross Liquor Revenues	Direct Operating Expenses Exclusive of Depreciation	Net Revenue Available For Debt Service	Principal	Interest	Total	Coverage
2013 (C)	$485,607	$310,209	$175,398	$26,440	$15,168	$41,608	4.22
2012 (D)	791,454	543,375	248,079	119,625	31,613	151,238	1.64
2011	733,573	507,417	226,156	24,710	31,682	56,392	4.01
2010	706,736	488,730	218,006	21,940	25,447	47,387	4.60
2009	689,283	479,412	209,871	21,470	23,853	45,323	4.63
2008	663,830	459,638	204,192	16,480	23,094	39,574	5.16
2007	639,664	443,708	195,956	15,445	23,810	39,255	4.99
2006	606,905	422,577	184,328	10,950	20,914	31,864	5.78

Ohio Building Authority Revenue Bonds

	Ohio Building Authority Enterprise Fund			Debt Service Requirements			
Fiscal Year	Gross Revenues (E)	Direct Operating Expenses Exclusive of Depreciation	Net Revenue Available For Debt Service	Principal	Interest	Total	Coverage
2008 (F)	$27,527	$28,078	($551)	$2,686	$30	$2,716	N/A
2007	27,581	27,923	(342)	4,653	149	4,802	N/A
2006	27,980	25,165	2,815	2,047	298	2,345	1.20

(continued)

Notes (continued)**:**

(C) On February 1, 2013, the State granted a 25-year franchise on its spirituous liquor system. Activity of the Liquor Control Enterprise Fund ceased as of January 31, 2013. The final debt service payments on the Economic Development and Revitalization Project Revenue Bonds and Notes were made during fiscal year 2013.

(D) Fiscal year 2012 debt service requirements includes payments for Bond Anticipation Notes (BANS), the term of which is no longer than one year.

(E) Gross revenues consist of operating revenues and investment income.

(F) The final debt service payments on the Ohio Building Authority Revenue Bonds were made during fiscal year 2008.

STATE OF OHIO

REVENUE BOND AND NOTE COVERAGE
FOR THE LAST TEN FISCAL YEARS
(dollars in thousands)
(continued)

Bureau of Workers' Compensation Revenue Bonds
Issuer: Ohio Building Authority

	Workers' Compensation Enterprise Fund			Debt Service Requirements			
Fiscal Year	Gross Revenues (E)	Direct Operating Expenses Exclusive of Depreciation	Net Revenue Available For Debt Service	Principal	Interest	Total	Coverage
2014 (G)	$5,107,570	$2,408,977	$2,698,593	$15,200	$751	$15,951	169.18
2013 (H)	2,404,966	3,419,204	(1,014,238)	15,915	1,543	17,458	N/A
2012	4,002,237	1,934,524	2,067,713	15,890	2,326	18,216	113.51
2011	4,314,528	2,343,117	1,971,411	15,865	3,110	18,975	103.90
2010 (I)	4,183,060	2,849,661	1,333,399	15,930	3,866	19,796	67.36
2009	2,183,392	2,145,947	37,445	16,005	4,596	20,601	1.82
2008	2,880,519	2,663,456	217,063	15,055	5,291	20,346	10.67
2007 (J)	5,200,066	2,749,217	2,450,849	14,150	5,901	20,051	122.23
2006	2,882,383	2,002,722	879,661	13,190	6,472	19,662	44.74

Source:
Ohio Office of Budget and Management

Notes (continued)**:**

(E) Gross revenues consist of operating revenues and investment income.
(G) The final debt service payments on the Bureau of Workers' Compensation Revenue Bonds were made during fiscal year 2014.
(H) During fiscal year 2013, the Bureau of Workers' Compensation (BWC) adjusted its premium rates and recorded a premium rebate.
(I) Investment income for fiscal year 2010 increased by approximately $2 billion as a result of the implementation of a strategy to diversify fixed and equity investments, a comprehensive update to BWC's investment policy, and the selection of investment managers to execute its passive investment strategy.
(J) In June 2007, House Bill 100 passed granting BWC the authority to assess employers in future periods for amounts needed to fund the Disabled Worker's Relief Fund. The net impact of this change was a $1.9 billion increase in operating revenues during fiscal year 2007.

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STATE OF OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS FOR THE LAST TEN CALENDAR YEARS

	Population *(in thousands)*				Per Capita Personal Income		
Calendar Year	U.S.	Change from Prior Period	Ohio	Change from Prior Period	U.S.	Ohio	Ohio as a Percentage of U.S.
2014	318,857	2,728	11,594	23	$46,049	$42,236	91.7%
2013	316,129	2,215	11,571	27	44,543	40,865	91.7%
2012	313,914	2,322	11,544	(1)	42,693	40,057	93.8%
2011	311,592	2,242	11,545	9	41,663	37,791	90.7%
2010	309,350	2,343	11,536	(7)	39,945	36,180	90.6%
2009	307,007	2,947	11,543	57	39,138	35,381	90.4%
2008	304,060	2,439	11,486	19	39,751	35,511	89.3%
2007	301,621	2,223	11,467	(11)	38,611	34,874	90.3%
2006	299,398	2,988	11,478	14	36,276	33,338	91.9%
2005	296,410	2,755	11,464	5	34,495	31,867	92.4%

Sources:

U.S. Department of Commerce, Bureau of Economic Analysis for Population, Income, and Employment

Ohio Department of Job and Family Services for unemployment rates

Ohio Department of Education for school enrollment

Ohio Department of Public Safety for motor vehicle registrations

Civilian Labor Force *(in thousands)*			
Ohioans Employed	Ohio's Unemployment Rate	Public School Enrollment in Ohio (in thousands)	Motor Vehicles Registered in Ohio (in thousands)
6,753	5.7%	1,799	11,443
6,663	7.4%	1,845	11,998
6,617	7.2%	1,850	11,840
6,521	8.6%	1,860	11,788
6,454	10.1%	1,872	12,027
6,469	10.2%	1,893	11,792
6,819	6.6%	1,882	11,945
6,829	5.6%	1,890	12,022
6,894	5.5%	1,835	12,128
6,792	5.9%	1,845	12,018

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STATE OF OHIO

PRINCIPAL EMPLOYERS

FOR CALENDAR YEARS 2014 AND 2006

	2014			2006(A)		
Employer	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
United States Government	76,023	1	1.13%	76,787	1	1.14%
Wal-Mart Stores	49,700	2	0.74%	50,000	3	0.74%
State of Ohio	48,635	3	0.72%	58,570	2	0.87%
Cleveland Clinic	41,400	4	0.61%	34,800	4	0.52%
Kroger Company	39,000	5	0.58%	34,130	5	0.51%
The Ohio State University	29,900	6	0.44%	24,400	7	0.36%
Catholic Healthcare Partners	28,900	7	0.43%	23,000	8	0.34%
Catholic Health Initiatives/Premier Health and TriHealth	25,800	8	0.38%			
University Hospitals Health System	24,000	9	0.36%	25,000	6	0.37%
JP Morgan Chase & Co	23,200	10	0.34%			
General Motors Corporation				19,300	9	0.29%
General Electric Company				17,000	10	0.25%

Sources:

U.S. Department of Commerce, Bureau of Economic Analysis

Ohio Department Services Agency, Office of Strategic Research

State of Ohio Comprehensive Annual Report for Fiscal Year 2014 and 2006

Note:

(A) Data for 2005 was unavailable.

STATE OF OHIO

FULL-TIME AND PART-TIME PERMANENT STATE EMPLOYEES DURING THE MONTH OF JUNE BY FUNCTION/PROGRAM FOR THE LAST TEN FISCAL YEARS

Function/Program	2015	2014	2013	2012
Primary, Secondary and Other Education	950	971	971	970
Higher Education Support	71	73	70	70
Public Assistance and Medicaid	2,259	2,638	2,621	2,769
Health and Human Services	8,128	8,290	8,301	8,604
Justice and Public Protection	20,114	19,827	19,974	20,196
Environmental Protection and Natural Resources	2,651	2,700	2,712	2,745
Transportation	4,884	4,913	4,964	5,218
General Government	4,739	4,826	4,839	4,984
Community and Economic Development	853	870	860	820
Workers' Compensation	1,784	1,842	1,847	1,882
Lottery Commission	376	355	335	326
Unemployment Compensation	786	524	587	611
Other	805	806	799	818
Total	48,400	48,635	48,880	50,013

Source:
Ohio Department of Administrative Services

Number of Employees

2011	2010	2009	2008	2007	2006
1,034	1,045	1,122	1,174	1,207	1,194
77	76	92	93	98	91
2,811	2,880	2,772	3,108	3,314	3,299
9,018	9,401	9,671	10,312	10,549	10,665
21,477	21,906	22,465	23,410	23,682	23,599
2,796	2,900	3,004	3,058	3,086	3,095
5,507	5,562	5,549	5,624	5,711	5,831
5,183	5,305	5,214	5,338	5,294	5,419
852	902	924	902	914	955
2,019	2,231	2,335	2,382	2,549	2,548
330	353	346	339	329	331
599	622	554	552	535	564
896	922	959	981	958	979
52,599	54,105	55,007	57,273	58,226	58,570

STATE OF OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
FOR THE LAST TEN FISCAL YEARS

Function/Program	2015	2014	2013	2012	2011
Primary, Secondary and Other Education					
Ohio Department of Education:					
Fall Student Enrollment (Public Schools)	1,799,107	1,845,441	1,850,281	1,859,821	1,872,370
Public School Districts (A)	612	612	612	612	612
Community School Districts (A)	382	393	369	341	295
Vocational School Districts	49	49	49	49	49
High School Graduation Rate (by School year)	(B)	82.2%	82.2%	81.3%	79.7%
Higher Education Support					
Ohio Board of Regents:					
Student Enrollment at State-Assisted Institutions	498,276	510,794	521,368	539,058	543,468
State-Assisted Institutions	37	37	37	37	37
Ohio Instructional Grant Recipients (C)(D)	—	—	—	—	—
Ohio College Opportunity Grant Recipients (C)	80,344	86,435	94,479	98,751	78,334
Student Choice Grant Program Recipients (D)	—	—	—	—	—
Public Assistance and Medicaid					
Ohio Department of Job and Family Services:					
Individuals with Medicaid Coverage (I)	—	—	2,382,381	2,213,104	2,151,760
Individuals Receiving Cash Assistance (OWF)	114,913	124,033	140,368	181,934	224,647
Individuals on Medicaid Waiver (I)	—	—	10,941	13,410	13,146
Ohio Department of Medicaid:					
Individuals with Medicaid Coverage (I)	2,960,279	2,509,360	—	—	—
Individuals on Medicaid Waiver (I)	6,896	10,715	—	—	—
Ohio Department of Aging:					
Individuals on PASSPORT Waiver	21,492	38,771	38,379	42,060	41,443
Ohio Department of Developmental Disabilities:					
Individuals on DDD Waiver	35,119	34,411	29,066	28,077	26,416
Health and Human Services					
Ohio Department of Aging:					
Clients Served-PASSPORT (J)	27,513	43,593	42,521	42,060	41,443
Clients Served-Congregate Meals (G)	47,225	47,384	48,541	50,347	63,453
Clients Served-Home Delivered Meals	37,441	35,298	35,960	36,056	39,037
Clients Served-Transportation Provided	20,058	20,095	20,273	21,702	20,144
Ohio Department of Health:					
Average Monthly Caseload-Women, Infants, & Children	246,142	252,253	267,011	277,379	283,997
Ohio Department of Mental Health & Addiction Services:					
Clients Served (Addiction Services) (H)	97,673	94,685	104,058	99,605	103,763
Facilities' Admissions	7,282	7,761	7,089	6,756	5,753
Facilities' Average Daily Residence Population	1,027	1,021	1,013	1,008	977
Ohio Department of Developmental Disabilities:					
Individuals Served (F)	514,579	546,041	466,634	451,907	446,939
Facilities' Average Daily Residence Population	926	942	1,000	1,184	1,228
Justice and Public Protection					
Ohio Department of Public Safety:					
Crashes Investigated	68,967	70,170	63,599	64,519	69,113
Total Arrests	606,888	603,094	576,700	554,794	508,418
Ohio Department of Rehabilitation and Correction:					
Inmate Population	50,407	50,420	50,153	49,774	50,561
Environmental Protection and Natural Resources					
Ohio Department of Natural Resources:					
Licenses and Registrations (E)	2,345,788	2,426,968	2,387,225	2,506,036	2,434,183

2010	2009	2008	2007	2006
1,895,768	1,881,631	1,890,154	1,835,188	1,842,943
612	612	612	611	610
310	318	312	309	293
49	49	49	49	49
84.3%	83.0%	84.6%	86.9%	86.1%
522,913	478,376	465,856	457,322	455,786
37	37	37	37	38
—	51,138	63,601	83,942	106,310
66,779	77,481	52,130	25,567	—
—	58,562	58,499	59,400	58,656
2,035,693	1,878,345	1,761,529	1,736,971	1,730,544
227,657	187,878	170,570	169,135	180,253
12,897	12,102	12,029	11,606	10,135
—	—	—	—	—
—	—	—	—	—
38,185	36,273	35,872	33,943	33,279
24,023	21,429	18,264	16,533	14,978
38,188	36,273	35,751	33,943	33,042
60,264	67,653	66,132	65,366	71,522
44,735	47,036	46,432	44,607	52,317
27,413	29,665	30,798	29,800	32,558
301,587	301,684	289,593	279,735	276,757
107,547	109,069	106,129	106,733	102,809
5,756	6,084	6,111	6,424	6,715
989	1,011	1,036	1,053	1,050
429,132	412,341	354,004	343,955	319,930
1,335	1,462	1,517	1,603	1,605
68,222	68,861	68,974	67,850	70,904
497,915	556,635	582,282	555,587	554,570
50,807	50,919	50,191	49,199	46,356
2,520,192	2,592,488	2,452,929	2,481,574	2,417,488

(continued)

STATE OF OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
FOR THE LAST TEN FISCAL YEARS
(continued)

Function/Program	2015	2014	2013	2012	2011
Transportation					
Ohio Department of Transportation:					
Pavement Resurfacing (in miles):					
Two-Lane	2,843	2,362	2,296	2,683	2,237
Four-Lane	1,048	892	624	1,098	942
Interstate	680	1,024	1,589	1,417	703
Workers' Compensation					
Ohio Bureau of Workers' Compensation:					
Claims Filed	104,997	108,549	108,090	112,613	116,378
Open Claims	791,638	858,773	958,625	1,070,056	1,129,873
Lottery					
Ohio Lottery Commission:					
Prize Awards Paid (in billions)	$ 1.88	$ 1.70	$ 1.67	$ 1.68	$ 1.60
Bonuses and Commissions Paid (in millions)	$ 179.2	$ 169.9	$ 166.9	$ 172.0	$ 161.3
Transfers to					
Lottery Profits Education Fund (in millions)	$ 990.0	$ 904.3	$ 803.1	$ 771.0	$ 738.8
Unemployment Compensation					
Ohio Department of Job and Family Services:					
Initial Claims	472,813	548,361	629,525	635,733	717,775
Continuing Claims	3,647,400	4,492,364	4,942,305	5,388,767	6,784,230

Sources: Various state agencies, as noted above.

Notes:

(A) The number of school districts include only those with enrollment.
(B) Data for the year indicated was not readily available.
(C) In fiscal year 2007, the Ohio Instructional Grant began to be phased out and was replaced by the Ohio College Opportunity Grant.
(D) The Ohio Instructional Grant and Student Choice Grant were eliminated at the end of fiscal year 2009.
(E) Data includes hunting licenses, fishing licenses, permits, and boating licenses.
(F) Represents clients served by the Department of Mental Health & Addiction Services and Department of Developmental Disabilities.
(G) Department of Aging began using a new reporting system in fiscal year 2012, resulting in lower count for Congregate Meals served.
(H) Beginning in fiscal year 2014, the Department of Mental Health and the Department of Alcohol & Drug Addiction Services merged to form the Department of Mental Health & Addiction Services (MHAS).
(I) In fiscal year 2014 the Ohio Department of Medicaid was formed and the Medicaid and Medicaid Waiver operations were transferred to the new agency from the Ohio Department of Job and Family Services.
(J) In fiscal year 2015 a number of clients transferred from the PASSPORT program to the MyCare Ohio program.

2010	2009	2008	2007	2006
3,551	2,673	2,521	1,673	1,502
1,220	1,076	871	506	252
897	921	1,302	428	229
116,042	132,549	159,611	171,692	185,232
1,221,302	1,321,214	1,415,491	1,540,543	1,664,368
$ 1.51	$ 1.50	$ 1.40	$ 1.34	$ 1.31
$ 153.4	$ 150.1	$ 143.9	$ 140.0	$ 139.8
$ 728.6	$ 702.3	$ 672.2	$ 669.3	$ 646.2
877,640	1,184,136	685,090	591,614	636,722
9,682,672	10,168,422	5,604,605	4,709,523	5,094,129

STATE OF OHIO
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
FOR THE LAST TEN FISCAL YEARS

Function/Program	2015	2014	2013	2012	2011
Primary, Secondary and Other Education					
Historical Sites Owned by the State	33	34	35	35	35
Historical Sites Jointly Owned by the State and the Ohio Historical Society	11	9	8	8	8
Health and Human Services					
Developmental Disabilities Institutions	10	10	10	10	10
Mental Health Institutions	6	6	6	6	9
Justice and Public Protection					
Rehabilitation and Correction Institutions	25	25	26	26	29
Youth Services Institutions	3	3	4	4	4
State Highway Patrol Structures	75	76	76	77	81
Number of Readiness Centers (B)	49	48	51	50	50
Environmental Protection and Natural Resources					
Number of State Parks	74	74	74	74	74
Area of State Parks, Natural & Wildlife Lands (in acres)	333,196	332,903	332,754	332,106	327,906
Area of State Forest Lands (in acres)	204,247	204,054	203,736	203,078	191,155
Transportation					
Buildings	818	828	830	830	825
Number of Rest Stops	96	96	96	116	109
Licensed Vehicles	4,029	4,428	4,475	4,604	4,530
Infrastructure Assets(A):					
Pavement (in lane-miles):					
Priority Subsystem	13,737	13,650	13,499	13,109	13,059
General Subsystem	29,461	29,512	29,591	29,918	29,932
Bridges:					
Number of Bridges	14,229	14,236	14,223	14,182	14,234
Deck Area (in thousand square feet)	106,206	106,474	105,690	105,309	105,721
General Government					
State Office Buildings	5	5	5	5	5
Community and Economic Development					
Permanent Agricultural Easement Land (in acres)	56,761	54,214	52,452	47,424	40,726

Sources:
- Ohio Department of Developmental Disabilities
- Ohio Department of Mental Health and Addiction Services
- Ohio Department of Rehabilitation and Correction
- Ohio Department of Youth Services
- Ohio Department of Natural Resources
- Ohio Department of Transportation
- Ohio Department of Agriculture
- Ohio Department of Administrative Services
- Ohio Department of Public Safety
- Ohio Historical Society

Notes:

(A) The Priority Subsystem includes the interstate highways, freeways, and multi-lane portions of the National Highway System. The General Subsystem consists of two-lane routes outside of cities.

(B) Three buildings were previously classified as armories/readiness centers.

Changes in federal regulation have changed the classifications of the three buildings.

2010	2009	2008	2007	2006
35	35	35	35	36
8	8	8	8	8
10	10	10	10	10
9	9	9	9	9
29	30	30	30	28
5	6	8	8	8
79	79	79	86	91
50	52	53	58	60
74	74	74	74	74
324,421	323,835	323,133	315,381	315,611
191,143	191,144	191,144	191,142	191,142
830	827	816	822	830
110	116	116	114	108
4,524	4,482	4,579	4,739	4,701
12,932	12,826	12,718	12,655	12,500
29,959	29,991	30,063	30,118	30,168
14,253	14,230	14,242	12,793	12,531
105,413	104,852	104,084	84,447	83,443
5	5	5	5	5
36,124	31,694	29,168	24,012	20,186

Prepared by
Ohio's Office of Budget and Management
State Accounting and Reporting

Ohio Veterans Plaza

- East side of the Ohio Statehouse
- Two Vietnam veterans erected a plywood tribute on the Statehouse lawn in 1981, shortly thereafter, the Ohio Legislature passed a bill to install a permanent veteran's monument.